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I N D E X

Of

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Of

EXHIBITS

(none)

Friday, 25 October 1946

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INTERNATIONAL MILITARY TRIBUNAL
FOR THE FAR EAST
Court House of the Tribunal
War Ministry Building
Tokyo, Japan

The Tribunal met, pursuant to adjournment, at 0930.

- - -

Appearances:

For the Tribunal, same as before.

For the Prosecution Section, same as before.

For the Defense Section, same as before.

The Accused:

All present except OKAWA, Shumie and MATSUI, Iwane who are represented by their respective counsel.

- - -

(English to Japanese and Japanese to English interpretation was made by the Language Section, IMTFE.)

S p r a t t & d a

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now in session.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, may I at this stage refer to a matter that was left open during Mr. Liebert's evidence in chief.

As shown in the transcript, at page 8467, the Tribunal desired the witness to give certain information, namely, the totals of the currency received and issued by the Bank of Japan, as shown in exhibit 854-A. The exhibit does not disclose the amounts issued by the Bank, but if the Tribunal approves, the witness will now give the totals of the amounts received.

THE PRESIDENT: And issued?

BRIGADIER QUILLIAM: No, if it please your Honor, that information is not available so far. It is not disclosed in the book.

THE PRESIDENT: Well, let him give the figures, Brigadier.

LIEBERT

JOHN GRANVILLE LIEBERT, called as a witness on behalf of the prosecution, resumed the stand and testified as follows:

BRIGADIER QUILLIAM: Witness, will you please give those particulars to the Tribunal?

THE WITNESS: The amount of currency, "Ha" type in denominations of gulden, totaled 62,364,000; "Ni" type military currency, in denominations of dollars and cents, 69,460,000; "Ho"- "Ro" or "Ho" type currency, denominations of pesos and centavos, total 37,200,000. The document discloses that between the date in May and the 6th of December the totals for the three types of currency, 169,024,000.

THE PRESIDENT: May -- there are no issues? Yes, no issues.

THE WITNESS: The exhibit 854-A, which is an exhibit, as explained, of the ledger or account book kept by the Bank of Japan, did not disclose any issues. The account book did not disclose the issues.

THE PRESIDENT: There may be evidence later that such notes were in circulation. I cannot say.

Counselor KUSANO.

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Counselor KUSANO.

CROSS EXAMINATION

BY MR. KUSANO (Continued)

Q You stated yesterday that the figures given in SATO's address were exact according to your investigations. How did you investigate these figures?

A Mr. Attorney, I think I stated yesterday that I believed the figures as stated in the speech referred to were reasonable according to my investigation. I had no reason, Mr. Attorney, for specifically pursuing that point any further, because I had assumed that a man in SATO's capacity would hardly misinform the public at a large gathering of this type.

Q Then you can give us no exact figures other than what was given in SATO's address -- SATO's testimony?

A The figures which are given in the speech disclose that SATO said at that time: "We spent forty per cent of our budget on the Chinese Incident and sixty per cent on armanent expansion."

Q Yes, that is what SATO said. But did you make no other investigation besides reading this speech of SATO?

A Only the over-all figures which I have -- the over-all investigation which I have given before this Tribunal, showing the amounts of money which

were funneled into the army and navy in the form of appropriations to the various -- to the two budgets; and I have shown certain information as to the amounts of money spent in the form of subsidizing particular industries, all of which is tied up with the general preparation of industries as I have heretofore stated.

Q May I ask you once again, quoting from SATO's address: SATO stated that aluminum -- that the war industries had been expanded seven or eight times what they had been before, but without giving any definite figures. Can you give us no further definite information other than this very indefinite statement?

BRIGADIER QUILLIAM: May it please the Tribunal, I am particularly reluctant to interrupt the cross-examination by Japanese counsel, but I do suggest that this matter cannot be carried any further than it has already reached.

THE PRESIDENT: If seven or eight times is really approximately, it is sufficient for our purposes.

BY MR. KUSANO (Continued):

Q Then you have no further definite information, figures to give on this subject?

A Well, as you will recall, Mr. Attorney, I have traced various war industries in their expansion through the statement I have prepared. Certain of the

expansions will far exceed seven or eight per cent. As I have pointed, the aluminum industry alone was started in 1935 and has an expansion of thousands of percentages. You must realize that this percentage will vary from industry to industry. There is no way that you can fix a mean to say that all industry was expanded seven or eight or any other per cent, unless you strike a mean average on the amount of dollars invested, which I have not done, of course.

Q Then it is a mistake to say that those industries were expanded from seven to eight times?

A It is a matter of opinion. I think it can be said to be reasonably accurate in certain industries, and it is way out of proportion in other industries. One cannot generalize particulars of this type.

Q You have made a reply concerning aluminum. What is your opinion concerning the manufacture of steel and of airplane production? Do you also believe that an increase of seven to eight times was shown?

A I have some very exact figures here on aircraft, which it might be interesting for you to see. I have here a document from the Japanese Government, which was submitted to me under the signatures of officials authenticating its veracity, showing the list of aircraft production by type and motors used

in aircraft from the year 1930 to 1945. Army aircraft in 1930 had a production total, all types, of 150. In 1941 army aircraft bodies alone had reached 3,787. As you see, there is involved considerably more than seven or eight times in expansion in army aircraft alone. The same thing is true with navy aircraft bodies. In 1931 there were 223; in 1941, 2,080; the total of engines of all types, 338 in 1931; and 11,654 in 1941.

Q Has that document been presented as evidence?

A A general recapitulation of that document appears, I believe, in exhibit 840.

THE PRESIDENT: You asked for the information, counselor, and the witness is not confined to documents admitted in evidence in order to answer you.

Q Now, you have told us about aircraft production. What about steel production?

A I think steel --

THE PRESIDENT: You ought to think hard whether you really want these answers, and I remind you, the witness is not confined to documents in evidence in answering you. The information is already in charts admitted in evidence. Probably the only effect of this is to emphasize points against the accused, and it is only fair to indicate that to them.

MR. KUSANO: I conclude my cross-examination.

THE PRESIDENT: Mr. Blewett.

CROSS EXAMINATION (Continued)

BY MR. BLEWETT:

Q I would like your help, Mr. Liebert, in clearing up just a few matters here. I shall be as concise as possible, and if your answers are likewise we shall finish up very shortly.

Recalling to your attention exhibit 842, document 1522, there is a sentence quoted, reading: "Particulars in Framing a Program for Extension of Important Industries." Now, to what does that refer, and is there any significance in the fact that the heading is in quotations?

A Mr. Attorney, I didn't get the exact reference. I am looking in my notes for the quotation.

Q I think you will find it on the cover.

A Oh, yes. Excuse me. The cover.

Q That is right.

A This is simply the title of this document.

THE PRESIDENT: Is it your title or one you found on the document?

THE WITNESS: This is a translation of the document, as exact as possible.

Q Would not the quotation marks indicate that

it was taken from something else?

A I do not know why there were quotation marks around this particular title, but, as you will see from the face of the document itself, this is a Total War Research Institute document, which reproduced in 100 copies the other top-secret documents of the government.

THE PRESIDENT: Mr. Blewett, the IBM is not working.

It is working now. Go ahead.

Q I was going to call your attention to those words, "Reproduced by Total War Research Institute." Now, do you have the original from which this was reproduced?

A No, and I doubt that the original is in existence.

Q Well, of course, that is only an opinion on your case. Did you make a search for it?

A I made a very, very thorough search, not only I, myself, but the Intelligence Section of the United States Army, and it was only by their assistance that this document was uncovered. From my experience during the war I have noted that, at least in the United States, top-secret documents of the type of this plan are usually two copies only. As you can see from this

reproduction, there were 100 copies reproduced by the Total War Research Institute, to be kept within the Institute. You, no doubt, know that the Total War Research Institute was created for the purpose of training senior officers and senior personnel in all the plans made theretofore by the government for the purpose of getting exact execution of those during time of war.

Q I was just about to ask you that question: if the Total War Research Institute was not a training school for students.

A I am advised that some of the highest ranking army, navy, and government officials were so-called students at the Institute.

Q I also intended to ask you if the words, "Disposition -- Keep within Institute," do not mean that that document was to remain in the Institute?

A My impression is that it means exactly that.

THE PRESIDENT: Why separate the contents from the paper? It is for us to interpret documents in any event. I said that twice yesterday.

MR. BLEWETT: Yes, sir.

Morse & Barton

Q Now, you quoted, Mr. Liebert, from this document on pages 1, 2, and 3. Do you or do you not, from your investigations, say that that paper is an official one?

A The certification of the method in which this document was acquired and the use to which it was put would indicate that it had an official standing. I think it is for others to determine the character of this document, as Mr. President just pointed out. I cannot make that decision.

THE PRESIDENT: Mr. Blewett, we have to determine whether the paper was so precious that it had to be kept in the Institute or whether the contents were so secret that they had to be retained there. The answer should be easy.

Q As an investigator, then, you can tell us where you got this paper and from whom, can you not?

A Yes. I secured this paper from Colonel Bethune of the United States Army Intelligence Service.

Q I call your attention to the certificate signed by TAKAHASHI on August 17, 1946. He refers therein to a book, "Progress for Mapping out a Program for Important Industry Extensions." Now, that has no month or date but it has the year 1941.

A That is correct. This document bears the

date of reproduction 25 September 1941. As you will see, Mr. Attorney, from the index to the contents, it contains three parts, each of which is a separate plan or resume, two by the War Ministry and one by the Planning Board.

Q Well, now, you know about these matters but I want to know if this certificate pertains to document 1522.

A Yes, it does. In the upper left hand corner the certificate says document 1522, IPS No. 1522.

Q Well, what rather puzzels me is that I see no connection between the certificate's reference and this document 1522.

A Well, for your information, Mr. Attorney, the certificate applies to this document. If you will analyse the substance of the words used in describing the document in the certificate and compare them with the substance of the words contained in the title of the document, you will see that they are substantially the same. You are, no doubt, familiar with the difficulties of translating the written Japanese characters into English, and the certificate as prepared by TAKAHASHI no doubt interprets those characters in different English words but in the same substance as the translation of the same characters as prepared

by the people here in the International Prosecution Section. I account for it that way. I account for it that way.

Q Well, now, we have had considerable to digest here all week and we rely upon you, as an investigator, to assure us that quotations from this document to this Tribunal, that that document is official. I am not quite satisfied with your explanation, but if that is what it is, that is it and we will take it.

THE PRESIDENT: Perhaps you would suggest to the witness where there is a substantial difference, Mr. Blewett, though I feel it isn't worthwhile wasting time on it.

MR. BLEWETT: Well, I felt the same way, sir.

Q Now, in the index to the contents, on the second page, of exhibit 842, there is a date of May 29, 1937, with reference to a five-year plan. Now, you stressed throughout your report the five-year plan, so-called, of June 23, 1937. Now, in what way do you relate the alleged five-year plan of June 23, 1937, with the "Program of Important Industries" of May 29, 1937?

THE PRESIDENT: I notice the army's draft, which is part of it, is a tentative draft dated the 10th of June, 1937, so it was still tentative in June.

MR. BLEWETT: I expect to reach that point, sir.

Q Do you explain that, Mr. Liebert?

A Yes. They are two entirely different documents. The "Outline of the Five-Year plan for Production of War Materials," dated June 23, 1937, military secret, introduced as document 9002A, which I believe --

Q It is exhibit 841, if you are looking for that.

A Yes. -- exhibit 841, is a rather complete outline for the plan for the production of war materials and goes into considerable detail. As you will note, this document, exhibit 841, contains not only the general outline of policy but goes into very great detail with regard to specific industries like the arms industry, airplane industry, and so forth, and how it is planned to be converted and what their projected plans are and what should be realized in the execution of these plans. You will note that the other document, dated 29 May 1937, is entitled, "Essentials of a Five-Year Program of Important Industries," and is more of an outline of the matter contained in the original program heretofore referred to.

THE PRESIDENT: Is there any difference between May and June in this regard, Mr. Blewett? I would like to feel sure that this cross-examination is worth while. Do you suggest that the difference bears on the existence of the document or on its character?

MR. BLEWETT: Both on its character, sir, and on its probative value.

THE PRESIDENT: It may be possible to trip the witness up on some small point, so far it hasn't been possible to do so; but suppose you achieve that, you don't get anywhere.

MR. BLEWETT: If it please the Tribunal, it would seem to us that 841, the War Office five-year plan found in the War Office, had never been used by anyone. It is our contention, sir, that this document is the same as the war plans that we were discussing last week in the Soviet phase.

THE PRESIDENT: How can you prove the plan was acted upon except by showing what was done? The people acting on it don't say, "We are now acting under plan exhibit 841." They simply do things. We wouldn't expect to find written across the document, "This document is now being carried out," or, "This document has been executed." How do you suggest that it can be proved otherwise than in this way?

MR. BLEWETT: If the Court please, the plan that was used was part of this document, No. 842, but No. 3 part adopted in 1939. It is quite clear --

THE PRESIDENT: That would be January, 1939, nearly three years before Japan started the war, the

war as it commenced at Pearl Harbor, I mean.

MR. BLEWETT: Sir, we may be mistaken but it looks very apparent that 841, the War Department draft, and 842, made up by the Institute, both remained in the places where they were made up throughout. Therefore, we don't believe, sir, that these two documents should be used in an effort to show a preparation for war.

THE PRESIDENT: It had to remain a closely guarded secret, if we understand war as it is conducted today. There is internal evidence of that in the document itself, or in related documents.

MR. BLEWETT: May I just endeavor to clear this up, sir, with this witness for our own satisfaction and for the Court's satisfaction about these two documents?

THE PRESIDENT: I don't want to interfere. I hate doing so, Mr. Blewett. But I would like you to assure me we are not wasting time. I know the cross-examination is very difficult. The certificate shows this document was found in the cabinet files.

BY MR. BLEWETT (Continued):

Q Under document 9022, exhibit 852, there are various communications. Now, you may have cleared that up this morning, but you will notice that the

"Ha", "Ni," and "Ho" series were to be concluded part in October and the balance in November and December. Now, under document 9016, exhibit 854A, it appears that the 1941 military currency of the same identity was received by the Bank of Japan for every month except September, commencing with May. Now, how do you explain that?

A I can only say that the records, possibly, which I have and presented to the Tribunal here must be short with regard to a few communications but there, in my opinion, is no question that -- there is no question but some of these notes were printed and received by the Bank of Japan in May, as indicated in their account book. As you will note, these communications refer to specific orders. They say nothing about original or other orders which might have been, and undoubtedly were, issued for the preparation of currencies.

Let me call your attention, Mr. Attorney, to page 9 of communication 6, re "Ni" series, paragraph 2: "1. Additional manufacture of currency according to denomination, quantity and value. Date of completion, about one-half, 30 October."

Paragraph 3 on the same page says, re "Ha" series military currency: "1. Additional manufacture

of currency according to denomination, quantity and value. Date of completion: about one-half, 20 November."

Paragraph 4 on the following page, re "Ro" series military currency: "1. Additional manufacture of currency according to denomination, quantity and value. Date of completion, 20 November."

That takes in all of them, "Ha," "Ni" and "Ro".

Q You have no documents pertaining to any earlier issue?

A The Bank of Japan account book refers to the receipt of "Ha" currency in May, 1941.

Q Who would you, from your documents there, hold responsible for this earlier issue, if there was one printed?

A Responsibility must be fixed by other people. I would assume that the order was executed. The persons giving the order would be responsible for the issuance of the order. I can go no further than that, Mr. Attorney.

Q I am trying to determine just what value this document has with regard to this bank ledger, but I will go on to something else. Never mind about that.

Now, I am advised by my Japanese colleagues that there was attached to document 3022A, exhibit 852,

a memorandum which has not been placed in evidence. Do you know anything about that? The memorandum reads as follows, if you don't have it:

"It must be pointed out that, while the issuance of military notes in the past has been decided upon at the moment of their actual use, the present case is merely a preparatory measure in anticipation of unexpected emergency. That is why the matter is only submitted for decision by ministers directly concerned. In the eventuality of such notes being actually put to use it is to be formally reported to a cabinet conference."

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, I respectfully submit that that document ought to be submitted to the Court. It is obviously in the possession of the defense.

THE PRESIDENT: We will insist on that, and also on knowing from what source it came.

MR. BLEWETT: I am advised, sir, that it was a part of the Japanese translation and I have a copy of it here.

THE PRESIDENT: If it is on the original document it is in evidence. But Mr. Liebert would rely upon an English translation, no doubt, so he

probably cannot answer, but we will ask for an answer.

We will refer it to the Language Section.

We will recess now for fifteen minutes.

(Whereupon, at 1045, a recess was taken until 1100, after which the proceedings were resumed as follows:)

Green & Eder

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

BY MR. BLEWETT (Continued):

Q I believe I asked the witness if he had heard or saw or knew anything about that -- the memorandum.

A I have not seen an English copy of that memorandum and, of course, could not identify the Japanese because I do not read Japanese. If I recall the memorandum, it supports the general statements contained in the communications.

Q From your investigation you are familiar with the third part of exhibit 842? And is not that dated 1939?

A That is the date. Yes.

Q Do you know whether that was the plan that was acted upon rather than the War Department plan and the plan of the Research Institute?

A Mr. Attorney, in my opinion all of these plans were executed. As you will note in reading through them, you will find similarities but differences in purpose. For instance, one is a -- you will note that the part three of exhibit 842, to which you refer, is the outline of the plan for the expansion of productive power, as drafted by the

Planning Board but decided by the Cabinet conference January 1939.

Q You testified yesterday that you did not believe the plan of June 23, 1937 had been passed upon by the Cabinet. Is not the third part of 842 the only document you have that shows it has been approved -- such plan has been approved?

A The only document that I have resented which appears to have been decided by the Cabinet -- I can only suggest that if it was the plan of the War Office it must have been approved by the War Office or the officials of the War Office. There is a distinction between the functions of the War Office and the functions of the Cabinet.

THE MONITOR: Will the court reporter read it over, please?

(Whereupon, the last answer was read by the official court reporter.)

Q This 841 was located in the War Office, you testified, is that right?

A You have the certificate attached to it which identifies it as IPS document 9002-A. That certificate discloses that this document was part of the official records and archives of the First Demobilization Bureau. I believe there is no

longer a War Office.

Q I was going upon my recollection of your testimony. I am quite sure, although I may be not so sure as I think, that you did testify it was found in the War Office.

A So that there is no mistake about it, I mean this was a plan of the War Office. That is all.

Q Now, if the War Office plan, 841, was found in the War Office, and if part two of 842 was marked "A Draft and Preliminary," would it not be logical to conclude then that the 1939 plan was the one that was acted upon?

A One might as logically assume that the plan projected by the Planning Board was in execution of the outlines expressed by the previous plans of the War Office, inasmuch as they refer to the same matters.

THE MONITOR: Will the reporter read that?

(Whereupon, the last answer was read by the official court reporter.)

Q I want to ask you this: The third part of exhibit 842, which was the one you just referred to -- did that not pertain primarily to China?

A No, it did not. It included a plan for expansion of the productive power of China, as

disclosed in table number two, at page 7. As you will note in subparagraph two of paragraph numbered one, on page 1, it is stated, "This plan is for the establishment of a plan for the expansion of the productive power of the major industries of our country, based on the policy for the establishment of a comprehensive plan for Japan, Manchoukuo and China."

THE MONITOR: Will the reporter read the answer, please?

(Whereupon, the last answer was read by the official court reporter.)

Q Can you point out to me any place in that document where Japan has made any preparations for war against America or Britain?

A In so many words, it does not appear in this document.

Q You have no doubt in your investigation heard about other five year plans, have you not?

A Yes, I have.

Q Do you know about the time the second Soviet Five Year Plan terminated?

A I do not recall, Mr. Attorney.

Q Would you accept my word that the first Five Year Plan originated in 1928, terminated 1932; the second started in '32 and ended in '37? Now, do you know whether or not the second Five Year Plan of the Soviet stressed armaments and industry?

A I don't know that.

Q Well, from your investigation you are no doubt familiar with the fact that the Japanese Five Year Plan was modeled upon the Soviet Plan, was it not?

A Not being familiar with the details of that so-called referred to Soviet Plan, I can't answer that question.

Q You made no research or have no papers in

connection with any Soviet Five Year Plan, is that so?

A That is correct.

Q Can you point out to us from any part of your investigation where the so-called Preparation For War Plan considered or even thought of any war against America in 1937?

THE MONITOR: Will the reporter please read that?

(Whereupon, the last question was read by the official court reporter.)

A I cannot recall the words this plan was in for preparation for war against America any place in any of the documents I have presented here, but I have tried to point out a general preparation for war, and I can only -- I only know what happened as a matter of history.

Q Do you have any documentary evidence, or did your investigation reveal any ill feeling towards America prior to July 1940 when the Presidential embargo was enforced?

A I was not living in Japan in 1938, and I have made no special study of the public sentiment in Japan at that time.

Q I refer to your investigation in Japan and

the information you got out here which you covered, as you say, very fully.

A I have confined my statement to production figures, plans, and facts.-- facts of a similar nature. I would not attempt to discuss at this time the political situation or the public feeling in Japan as it existed prior to the war.

Q I shall not press that point, but I am trying to find out from you what you know in your own mind from your investigation, but I will let that go.

Would it be possible, Mr. Liebert, for you to furnish us with the source of all the various acts, charts, graphs, reports, et cetera, comprising your statement?

Now, Mr. Liebert, just a moment. I am not asking you to give that to us now. I mean, will you furnish us with that?

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, I suggest that is a most unreasonable question.

THE PRESIDENT: He is not authorized to do it, Brigadier. The request should be directed to the prosecution.

MR. BLEWETT: May I inquire from the

prosecution whether the defense can be furnished with the various acts, and so on, referred to in the witness' statement so that we can have an opportunity of looking them over and examining them?

BRIGADIER QUILLIAM: May it please the Tribunal, if I have to answer that request now, it must be in this form: Any reasonable request for information will gladly be acceded to. I should certainly object, as I feel about the matter at the moment, to furnishing a copy of the Japanese law to the Japanese defendants or their counsel. I should also object to being required to furnish the source of a Japanese law which is quoted even by year and by number. I can only repeat, sir, that the prosecution will gladly make available any information that could reasonably be required.

THE PRESIDENT: The matter is entirely one for the prosecution, subject to any application that may be made under the Charter which gives the Court power over documents.

MR. BLEWETT: That will take care of our problem, sir. Thank you.

BY MR. BLEWETT (Continued):

Q What percentage of all essential commodities were utilized in war materials during the years 1937

to '41?

A You say "all essential commodities," Mr. Attorney?

Q That is right.

A Well, I can give it to you for some of them. It appears rather completely as regards these industries in the statement. I refer you to the chart on electric power consumption in Japan which is divided into basic war and war-supported industries.

Q Are you not able from your studies to give us an average figure for each year?

THE MONITOR: Will the reporter please read the previous answer?

(Whereupon, the last answer was read by the official court reporter.)

THE PRESIDENT: The need to speak into the microphone is becoming very obvious. We are wasting a lot of time with it because it is not being done.

A I have made no overall figure so that I can state the exact percentage of all materials because the percentage, as I pointed out to the Japanese counsel, varies from industry to industry. You must also remember that many of these production figures in Japan as they relate to the use of materials for war and resources for war, and so forth, was a matter of absolute state secret. These documents were not published.

Let me call to your attention a law which was published in 1939, promulgated as law No. 25, 1939 -- promulgated on March 25,1939 -- as the law for safeguarding secrets of military material resources. I will read from an English translation of that law a few pertinent points to show you what I mean.

"Article 1. This law aims at the prevention of leakage of information to foreign nations concerning matters respecting the manpower and material resources which are to be employed for military purposes. (Inclusive as hereinafter understood of what is liable to be employed for military purposes.)

"Paragraph 1."--

Q I think we understand what you mean, Mr.

Liebert.

A You then appreciate the difficulty of answering your question from published facts and figures.

Q Well, that naturally interests me therefore in finding out from you from what sources you procured the various data to form the basis of your statement.

A Well, the documents which have been presented have certificates attached to them. Their origin if fairly obvious. As to the charts on production I have those sources and you indicated a moment ago you didn't want them read now, but they will be made available to you as Brigadier Quilliam suggested.

Q Did you make up these charts -- or maybe you call them graphs? I am referring to 43A.

A At what page is that?

Q 44.

A I personally did not make these graphs. I had them drawn by a competent draftsman in the employ of the Economic and Scientific Section on the basis of information supplied to him.

Q By you?

A Yes, and at my direction from the various officials in the Economic and Scientific Section. With relation to the specific chart on 43A on steel

production and imports, I personally had many conferences with the Iron and Steel Control Association and the newly formed Iron and Steel Council, securing this information from their files, had it analyzed by competent experts on steel and steel production. This information was compared with other data relating to import trade, data which we secured from the States, and data which was available here in Japan, and in every conceivable way checked to determine its accuracy.

THE PRESIDENT: This is unusual unless you can suggest specific errors, Mr. Blewett. It is really a waste of time.

MR. BLEWETT: I did not expect, sir, to go into it so deeply. All I wanted was an idea of how this whole thing was correlated by the witness.

Q I believe you testified, Mr. Liebert, on the Planning Board. Do you know whether or not that Board was purely advisory in character?

A I cannot believe that it was purely advisory when I see detailed plans for imports and exports and production, some of which I have here and offered to make available to Mr. Levin, on specific matters which they directed. It is my impression that the various Ministries concerned were the executive

agents for the plans formulated by the Planning Board on the basis of information correlated therein.

Q Is it not indicated in your investigation that the Planning Board simply advised the Cabinet on various matters?

A Where advice ends and orders begin I do not know, but I can say this: That the plans formulated and passed on by the Planning Board were executed in fact and I have seen many results of that to check the authenticity of certain documents which have come to me for analysis.

Q Yesterday you testified on page 8611 of the record with regard to petroleum and the Planning Board. No doubt you recall that. Now I wonder whether you understood the exact situation as to the Planning Board in the economic life of Japan or not?

A Well, you can take a look at this plan I have before me here of the Planning Board in which it divides commodities into many categories; divides them into commodities to be used, "A, B and C" for military demand; then "C-12,13,14" and on up to 40, for civilian demand.

Q We can agree with that, I think; but what was done with that plan you are reading about there?

A I am of the opinion that this plan was executed as completely as possible.

Q I am asking you if you knew what happened to that plan before its execution or by whom was it executed?

A I find it difficult to know exactly what you want of me, Mr. Attorney, but let us assume that this plan states it is desired to import one million tons of scrap, six hundred thousand tons from America, one hundred and fifty thousand tons from England, etc. When one examines the steel imports from those countries for the given period and they correspond to the amounts allocated by the Planning Board, I must assume that the plan was executed by someone. Since the importation of steel was handled through the Import Association I have outlined in my statement, I can assume that the Import Association acted according to the plans of the Planning Board.

Q We apparently have different ideas about that, so we are not getting any place with these questionings and I will go on to another question.

THE PRESIDENT: If you are starting out on a new line, Mr. Blewett, this is a convenient time to adjourn. We will adjourn until half-past one.

(Whereupon, at 1157, a recess was taken.)

LIEBERT

Spratt & Duda

AFTERNOON SESSION

The Tribunal met, pursuant to recess, at 1330.

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is resumed.

THE PRESIDENT: Major Moore.

MAJOR MOORE: Referring to document 9022-A, exhibit 852, the memorandum such as referred to by defense counsel is not found with the original Japanese document submitted in evidence.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, so far as we can ascertain, the copies of the original in Japanese which have been served on the defense do not contain the memorandum that my learned friend referred to.

THE PRESIDENT: Mr. Blewett.

JOHN GRANVILLE LIEBERT, called as a witness on behalf of the prosecution, resumed the stand and testified as follows:

BY MR. BLEWETT (Continuing):

Q Mr. Liebert, I have been asked by one of my colleagues to inquire about a statement of yesterday referring to the Industrial Control Organization.

THE PRESIDENT: Before further cross-examination, Mr. Blewett, we would like for you to tender that memorandum and tell us where you got it.

MR. BLEWETT: I shall tender the memorandum, if your Honor please, and explain that it was given to me by Japanese counsel with the explanation that the memorandum was attached to the original in the office and was copied therefrom. I was asked simply to make inquiry of the witness to ascertain if he had seen such memorandum or knew where it was located if it was still in existence.

THE PRESIDENT: What Japanese counsel obtained it, and from whom did he obtain it? That counsel had better come to the lectern and explain the position.

Dr. KIYOSE.

DR. KIYOSE: This document concerning military currencies, before being delivered to the International Prosecution Section, was in the care of the

Japanese Finance Ministry. The counsel for the defendant KAYA had copied this memorandum down from the original as it was then attached -- to which it was then attached at that time. But because we found that this memorandum was not attached to the original of the document concerning military currency when it was submitted to this Tribunal, therefore we believe that either the Finance Ministry forgot to transmit the memorandum together with the document, or that the memorandum is now in the files of the IPS.

I wish to ask for the present location of this document, and to ask the Tribunal to order its presentation at a later date.

THE PRESIDENT: I suppose counsel for KAYA means the Japanese counsel, not Mr. Levin.

MR. BLEWETT: That is right, sir.

BRIGADIER QUILLIAM: May it please the Tribunal, I have already asked that the production of this document be made. We will certainly continue our efforts to obtain it. We believe it is not in the IPS Section. But since we have no knowledge of the memorandum, I must assume that we will have the assistance of the defense counsel concerned in tracing the document.

THE PRESIDENT: Well, that will be our

assumption also.

MR. BLEWETT: We shall render all help possible.

DR. KIYOSE: The counsel for the defendant KAYA whom I mentioned a few minutes ago is Counsel TAKANO. Counsel TAKANO and myself will continue all efforts to find the location of this document, and when we have done so we will ask for an order for its production.

THE PRESIDENT: Yes, Mr. Blewett.

BY MR. BLEWETT (Continued):

Q Is it your understanding, Mr. Liebert, that the head of the Control Organization is determined by the Planning Board?

A Were you referring to the Control Association formed under the Key Industries Act?

Q The Industrial Control Organization, as I have it here. I thought perhaps you would be familiar with it. If you don't recall it, we will let it go.

A I recall many -- there are many types of industrial control. There are officials who are elected and nominated in different manners. I will have to know what you want.

Q I will look at the record and get the proper name and page.

You know, as you have testified, that the China Incident occurred in 1937. Are you aware from

your investigation that China at that time was capable of mustering over an army of three million troops?

THE PRESIDENT: Any answer he would give to that question we would completely disregard, because we do not think he is an expert in that matter.

Q Did your study include the situation of armaments in Japan subsequent to War World I?

A By "subsequent to World War I," I assume you mean immediately following World War I. If so, no.

Q Exhibit 857 is a revision of plan for regulating supply and demand of essential materials for 1938. Do you know if there is an original, and if so, do you have it?

A No, I have not produced an original.

Q When were you engaged by the prosecution to undertake investigation preparatory to testifying in this case?

A I forget the exact date, Mr. Blewett; sometime early in May.

Q Was your assignment specifically to make investigation and correlate data with one objective in view?

A I was requested in a general way to determine the extent of preparation for war in the field of production and in the field of finance. I was further

requested to set out such data as I had found in a comprehensive statement, which I have done, to present the matter before this Tribunal in as readily understandable way as possible.

MR. BLEWETT: That is all, sir.

I believe that the defense has some further counsel with reference to further cross-examination.

If I might, sir, go back to that one question that remained unanswered, please?

Q That, Mr. Liebert, is the Major Industries Control Law, referred to by you on page 73. Now, is it your understanding that the head of that organization was selected by the President of the Planning Board or by the Minister of Commerce?

A The Major Industries Control Law, referred to in paragraph 94, page 73, was passed in August, 1931. I believe that the Planning Board was created by ordinance on May 17, 1937. The purpose of the Major Industries Control Law, as I have stated, was to allow the large-scale, heavily-capitalized industries to control themselves under a mutual cartel arrangement. When such understandings were had between producers of important industries and affected the public welfare, these understanding were legally enforceable agreements. Pursuant to the type of understandings which were had

among the industries, you can understand that the industries formed themselves into associations, more or less autonomous within the association, self-governing among themselves. They elected their own officials.

MR. BLEWETT: That is all, thank you.

THE PRESIDENT: Dr. UZAWA.

DR. UZAWA: Mr. President, owing to the absence of Mr. SAMMONJI, counsel for the defendant KOISO, his associate counsel, MIMACHI, Tsunehisa, will take his place, if it is agreeable to the Court.

THE PRESIDENT: He may take his place.

CROSS-EXAMINATION (Continued)

BY MR. MIMACHI:

Q In exhibit 480, almost all throughout this exhibit you have stated that measures for protecting industries were enacted with a view toward preparing for war. In exhibit 840, all throughout this exhibit you have appended critical remarks to the effect that the various laws and ordinances for the encouragement and protection of industry enacted by the government were for purposes of war; and you have quoted in part from laws and ordinances enacted by the government within the period of time you specified.

In studying these various laws and policies with all necessary references, did you carry out these

investigations personally or did you rely on someone else's word, or did you quote from magazine articles and other articles on the subject?

THE MONITOR: The first part is not "in studying this," but "in making this remark" or "in testifying in this way, before doing that did you ..." and then it follows the same.

A The laws and ordinances and regulations which I have cited, I have read and digested myself and put them in the report as I understood them. The collection of facts which appear, I have requested of the various official sources to make specific reports, which I analyzed and checked with other reports which I had made, and used certain information in that manner.

For instance, in the matter of the budget, I requested the Minister of Finance to produce the budget, and I got three separate budgets before I got what checked from other sources as being a true and accurate copy of what I had asked for. I commenced by taking certain informations from publicized journals in Japan, among them the Japan Yearbook. and in certain instances found it wholly unreliable because it didn't check with other information. In other instances, I went directly to the control

associations, their files, and requested them to produce certain records, which they and only they had in the accurate form. To try to get a complete and accurate picture, I read articles from newspapers and periodicals, economic magazines, and any source that would throw any light on this subject to clarify it.

Q Then, in studying these laws, did you study the reasons for their promulgation as attached, reasons for the promulgation of such laws, the actual social conditions existing at the time these laws were promulgated, and, as was often the case, important revisions made in some of these laws after their promulgation, and also whether some of these laws were promulgated but not actually executed?

THE MONITOR: Slight correction: After the actual condition at the time of this legislation being passed, there were many cases of important revisions after the promulgation. Did you study this point, what these changes were? And also, although the revisions were effected, some of them were not carried out into effect. These cases were quite often. Did you study that point also?

A I tried to give as complete a study to the situation with respect to the individual laws as was possible for me to do so.

Morse & Barton

Q Then are you aware of the following fact, also. This is a point that often occurs in countries where the administration is bureaucratic. Because at that time it was emphasized that Japan was then in a period of great crisis, among bureaucrats there were some who didn't want to get behind the currents of the time and there were also those who tried to ride along with the currents of the time or at least to increase the importance of their own bureau.

THE PRESIDENT: That is an assumption of many facts and not a proper form of question. You must endeavor to make that, long statement as it is, into a number of short, clear questions.

MR. MIMACHI: Mr. President, that was the reason for my question and I shall divide my statement up into short questions hereafter.

Q Did you discover as a result of your investigation that, because of what I have just said, many unnecessary extraordinary legislation was passed, as well as control laws?

THE PRESIDENT: Let him answer that.

A Unnecessary from what point of view? From the industrial point of view, or for what purpose? I am afraid I don't quite understand.

Q From the point of view of the encouragement

of an increase in production.

A I think there was a great deal of legislation passed to encourage production. I think I know what you mean. There was a considerable amount of ordinances and regulations of various kinds which were promulgated and on the books which, in my opinion, in certain cases they weren't enforced completely.

Q Then, do you know that, because of such laws, at the time much criticism appeared, both in the newspapers and in public opinion, such as that these laws were arbitrary, that they were controls for appearance sake, or that they were mere paper plans?

THE MONITOR: Did you not discover this upon studyingthe matter, the problem?

A I have seen some criticism in some articles which I have read concerning some of the government plans.

Q Then, do you say that your investigation took all these factors into account and was a very complete and thorough investigation?

A As thorough as I could make it, Mr. Attorney.

Q I would like to point out some mistakes in your statement later, and will pass to another point.

THE MONITOR: Slight correction. I would like to point out some errors in your statement later,

but before that I would like to shift to another question.

THE PRESIDENT: Why not do it now?

MR. MIMACHI: From the point of view of the way my proof of cross-examination is made up.

Q Yesterday, in reply to a question from my learned colleague, Mr. Levin, whether the various plans you have testified to were -- what are the grounds for your statement that all these plans and policies were made for the purpose of preparing for the Greater East Asia War?

THE PRESIDENT: We have had his answer. We don't want it again.

MR. MIMACHI: (In English) Mr. President, I want to ascertain his reply at that time you know. I made a mistake in my memory so I want to ascertain that point before putting my question.

THE PRESIDENT: You had better speak in Japanese throughout. If you speak at one time in Japanese and another in English we will get very mixed, the interpreters will.

Q According to my recollection, you then replied that there were various policies which were executed with the end in view of preparing for war and then later the Greater East Asia War broke out. I believe you replied thusly, but is my memory correct?

THE MONITOR: Slight Correction: "You replied that various policies which can be taken as a preparation for war" -- that sentence is corrected.

A I don't recall my exact words but I do recall that Mr. President suggested that it was within the purview of the Tribunal to make those decisions and they would act upon the facts which I have presented here in the form of this statement and ancillary documents.

Q But, judging from the heading of exhibit 840 and from the general purport of the entire document, I can't help but conclude that your investigation -- that you made this statement believing that these policies were in preparation for war.

A I do believe that.

Q Then, can you tell me why you believe that these plans and policies were in preparation for war?

THE PRESIDENT: Well, we treat him as an economist, not as a general, but if you want his answer, let him give it. Do you desire him to answer you? I won't prevent him.

MR. MIMACHI: I would like to ask that question because, unless I can understand his reason for so believing, I have no means by which to make a rebuttal.

A Well, I expect it is a question of judgment, but when I see a budget with ever increasing outlays for expenditures to the Army and the Navy, when I see the financial policy of a nation throwing all controls into the hands of the government and restricting civilian consumption over a period of years, when I see ever increasing stock-piles of critical materials which are basic to war industry, when I see the development of a heavy industry in Japan under direct government subsidies which is not based upon any natural resource capacity which the nation has, when I see an over-development of an industry which doesn't bring profit to a nation or to the people operating it, when I see legislation by the government directing these things, when I have before me plans by the War Department and by government offices indicating that these developments are for the purpose of increasing war potential -- none of these being conclusions of my own but actual existing facts, -- logic has compelled me to accept the conclusion that there was preparation for war.

Q My question was not whether these policies of the Japanese Government were executed, planned and executed, as a preparation for war, but specifically how you could reason that these plans and policies were directed toward the War of Greater East Asia.

THE PRESIDENT: What is the difference? You might suggest any difference there might be.

MR. MIMACHI: May I give a simple example in order to illustrate my point?

THE PRESIDENT: Put it to the witness in the form of a question.

Q In this trial a common conspiracy concerning the Greater East Asia War is the -- has become the focal point of these proceedings. To prepare for the event of war, in view of the increasing tension in international relations, is not a crime.

THE MONITOR: Slight correction: To prepare for national defense, in view of the international situation, does not constitute a crime.

THE PRESIDENT: We don't treat the witness as an expert in law and, even if he were, he couldn't draw conclusions for us. Questions of law are for the Court, solely.

MR. MIMACHI: Then, Mr. President, does the Tribunal not consider that this witness' testimony is to the effect that these preparations were made with the Greater East Asia War in view?

THE PRESIDENT : All we treat him as is an economist and, perhaps, an accountant, to place before us facts and figures which he has ascertained as a

result of the examination of persons and documents which he has stated he made; to assemble and classify these facts and figures.

MR. MIMACHI: In classifying such things I believe that it is necessary that some specific object be in view.

THE PRESIDENT: We will take what he places before us, consider what he has placed before us, and form our own conclusions as to what they mean. His purpose will be entirely outside the point.

MR. MIMACHI: Then I shall return to the question of the mistake made in the witness' statement. Paragraph 48 concerning ship building.

BY MR. MIMACHI:

Q Yesterday, Mr. Levin questioned you concerning the Japanese government's scrap and build program begun in 1932. Have you ever considered -- studied how it was that this program came into effect, was initiated?

A I have stated and quoted, I believe, from the original -- paraphrased from the original legislation, that it came into effect presumably to improve the character of Japan's shipping and to reduce marine casualties. I believe, in addition, that it was originally the intention of this legislation to assist

the expansion of the ship building industry to provide foreign exchange in the form of service.

Q Then, are you aware of the situation, of the world situation concerning ship building and especially of the position of Japan in regard to ship building at the time?

THE MONITOR: Marine industry or marine situation; marine industry; shipping situation.

A I am aware from my readings that in 1932 Japan wished to stimulate her overseas carrying service because it was a profitable business for Japan.

Q Then do you know that in economic circles at the time, not only in Japan but all over the world, they were suffering from a great depression and there where no orders -- there were hardly any orders for new ships, and the ship building industry was on the point of being destroyed?

A During the depression a great many industries were nearly on the rocks. Ship building was no exception.

Q Then, do you not consider that the purpose of this plan was, instead of the expansion of ship building, was merely a means of staving off the collapse of that industry?

THE MONITOR: And not expansion.

A Well, I don't know that I can draw any conclusions as to what the purpose of the law was, or the purposes of the program, except to know that it was to improve the general condition of Japan's ships, which was necessary at that time, I think, if she was going to carry on an expanded overseas trade. I might even consider, Mr. Attorney, that in 1932 the building of new ships for Japan was good business.

Q On what do you base that assumption? I have information at hand that tells me that some companies, in order to keep their employees employed, even carried on ship building at a loss.

A Of course ship building was carried on at a loss. I am only trying to tell you in a few words that I have incorporated the reference to the fact that Japan built ships in 1932 to complete the picture of what happened in the ship building industry from 1932 to 1941.

THE PRESIDENT: I remind you, counsel, that it is for the Court to draw conclusions from the materials supplied by the witness to the Court, and you would help us most by pointing out those errors you say you have discovered.

We will recess for fifteen minutes.

(Whereupon, at 1445, a recess was taken

until 1500, after which the proceedings were resumed as follows:)

Greenberg & Barton

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

BY MR. MIMACHI (Continued):

Q Then, may I understand that the first to the fourth scrap and build programs had no connection with preparation for war; these programs just existed as such and had no connection with the war -- with preparation for war; may I understand it that way?

A I find no evidence that these ships or that these programs were instituted for the purpose of building ships for war; and ships subsequently were very useful, but the first evidence I find was in the plan of 1937.

MR. MIMACHI: The defense will prove when its case begins that this program was initiated for unemployment relief and other purposes and that England herself was a forerunner in this kind of thing.

Q Next, paragraph 50: In the first part of this paragraph it is stated that the Shipbuilding Industry Law (Law No. 71) was promulgated April 5, 1939. You said that you studied laws when here yourself.

THE MONITOR: The laws which you quoted. "Here" is omitted.

Q (Continuing) This law, Law No. 71, which was promulgated April 5, 1939 is not called by this name. I ask for an explanation from the witness.

A By what name is it called, and from what book are you quoting?

THE PRESIDENT: If you want to correct it, you must quote from an official copy of the statute.

Q It is in all legal books in Japan. This is the law for the financing of capital for the building of ships and for the subsidizing of losses.

THE MONITOR: Guaranteeing losses.

THE PRESIDENT: Now, this is the difficulty: You are quoting from a publication in Japanese, no doubt. Probably the quotation will be of considerable length, and the prosecution will need time to check what you have said or quoted. However, you had better proceed.

Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, it did appear to me that what counsel said was in substance to the same effect as the material contained in the paragraph -- the description of the law referred to by the witness.

THE PRESIDENT: The difference may be in the two Japanese versions of the same document or

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THE PRESIDENT: The difference may be in the two Japanese versions of the same document or

two English versions of the same document in Japanese.

BY MR. MIMACHI (Continued):

Q There is another law promulgated in 1939, Law No. 70. This is called the Shipbuilding Enterprise Law. What you have stated in paragraph 50 is a composition of these two laws. It is as if you had composed the contents of these two laws together and stated them in one paragraph. I wish to point out by this that, although you stated you have made a very thorough investigation of this law, there are many mistakes of a similar nature throughout your statement.

THE MONITOR: Slight correction: Not "thorough investigation of this law" but, "although you have stated that you made thorough investigation of all laws, I wish to point out that there are many similar mistakes in many other places of your testimony.

THE PRESIDENT: Does the composition of the two laws you referred to convey a wrong impression? You called it "composition." Perhaps "amalgamation" would be better.

MR. MIMACHI: I only wish to point out this as an illustration of the inadequacy of the investi-

gations made by the witness.

THE PRESIDENT: Well, it is utterly futile for that purpose. You will not attack his credit effectively in that way. You must point out that he has made mistakes, and that would not be one.

BY MR. MIMACHI (Continued):

Q This law provides that -- there were provisions for the encouragement of shipbuilding, for instance, the sanctioning and providing of subsidies and loss indemnification, thus according special privileges to the shipbuilding industry. Have you ever studied whether these provisions were actually executed or not? According to my investigations, these provisions were never put into effect.

THE MONITOR: Never applied.

A We both know that the law was on the books. We both know that shipping developed as a result of the war according to a plan. I assume that the law was effective because we have recorded facts that subsidies for shipbuilding were paid, and I can only assume they were paid pursuant to this law. In order that there might be a clear exposition on this point, we might refer to the Sangyo Setsubi Eidan which was created in early 1942 as a result of legislation in

1941. This law was likewise passed to stimulate the building of ships. According to the plan which I have cited, the shipbuilding was to increase by one-third, and these were the mechanical-legal measures which would allow that to happen or cause it to happen.

Q You have stated that it was established following a law in November, 1941 and that upon its establishment the government participated directly in the building of ships.

THE MONITOR: Immediately.

Q (Continuing) Is that so?

A That is so. That happened in 1942, after the war. I only referred to Sangyo Setsubi Eidan to show that there were several laws at this period almost all of which can be treated as wartime legislation effecting shipbuilding. I have also brought before this Tribunal a document which was sanctioned by the Cabinet which disclosed that shipbuilding was to cease because of the lack of money during this period in which the shipbuilding law would possibly be in effect, which might have had something to do with the curtailment of the planned building of ships during that period before the advent --

At any point, I made reference to the Ship-

building Industry Law in 1939 to complete the picture of preparations for building of ships in anticipation of war.

Q Then, do you know that this law which was promulgated first in 1941 was revised in June of 1942 and as a result of this revision the government was unable to participate in building of ships?

BRIGADIER QUILLIAM: May it please the Tribunal, I submit that question is wholly irrelevant and cannot be helpful to us at all.

THE PRESIDENT: Most of the cross-examination has been irrelevant and wholly useless.

The objection is upheld.

BY MR. MIMACHI (Continued):

Q Next, I call your attention to paragraph 90. Here you have stated that licensed companies were allowed to effect an increase in capital even before original capital on the company was fully paid up, and also that they were allowed to issue debentures up to twice the paid up capital without security, and you called these "special privileges." Why is it a special privilege that an increase in capital can be effected before the original capital is fully paid up?

A When any business matter is set forth in a

law of this kind, I call it "special" if it is particularly referred to and not a general statute for business matters.

Q Then, are you aware of a revision of the Commercial Code, Law No. 72, promulgated the same year as this Aircraft Manufacturing Law?

A I do not have that section of the Code before me, and I cannot say what it contains now by reference to number.

Q The Commercial Code is the general statute relating to business in general.

A I am familiar with the Commercial Code.

Q By this revision in the Commercial Code it became no longer necessary to pay up original capital before effecting an increase in capital.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, that is a very useful piece of evidence for the prosecution, but I do not think it is worth our having it at the expense of the time we are spending on these irrelevant matters.

THE PRESIDENT: It is quite irrelevant and quite immaterial. The objection is upheld.

Wolf & Yelden

MR. MIMACHI: I made my statement in order to prove that this was not a special privilege. I have similar questions on two other points but in view of the President's ruling I shall omit them.

THE MONITOR: "Other two points," not "two other."

THE PRESIDENT: If they are questions of the same import, then if objection is taken the objection will be upheld in each case.

BY MR. MIMACHI (Continued):

Q Next I shall go to the passage -- section -- concerning electric power, paragraph 4 -- paragraph 6. Have you made any investigation concerning the reasons why the Electric Power Control Law was promulgated in March, 1938?

BRIGADIER QUILLIAM: May it please the Tribunal, the explanation is surely given in that part of the statement which immediately precedes the reference that has been made by my learned friend.

THE PRESIDENT: Counsel should read those introductory observations.

MR. MIMACHI: I have read but the words, "completely totalitarian basis," seem to show that their purpose was simply to put the electric power industry on a totalitarian basis. The real purpose

of this law was not so. That is why I am asking the witness now whether he is aware of any other reasons.

A At the moment I can think of none that I have not expressed in this statement.

Q Are you aware that the control of the electric power industry was effected in England also around 1924 and 1925?

A I don't know about that.

Q Then do you not also know that given impetus by this English law, authorities as well as public opinion -- a section of public opinion -- had begun to consider a draft for the rationalization of the electric power industry which would insure a cheap and plentiful supply of electric power?

THE PRESIDENT: That question is based on the assumption that the preceding question was answered in the affirmative and it was not. It is not necessary to put these questions in cross-examination in order to prove them later in the course of giving evidence for the defense, if there is such evidence.

MR. MIMACHI: The defense will endeavor to prove that on its own case.

This concludes my cross-examination. We defense counsel feared that the prosecution when it called this witness as an actual witness, instead of

simply producing the documents listed in the witness' statements as evidence, that--

THE PRESIDENT: There is no need to make any comment to that effect.

Major Furness.

CROSS-EXAMINATION (Continued)

BY MR. FURNESS:

Q Mr. Liebert, according to page 8617 of the record, you testified yesterday that after Japan went off the gold standard for the third time in 1941, the yen was pegged to the pound sterling at a value of one shilling, twopence. You continued: "It remained there until 1939, when the yen was pegged to the United States dollar for a short period." In referring to the year 1941, did you intend to refer to the year 1931, Mr. Liebert? In other words, you have stated that from 1941 until 1939 the yen was pegged to the pound sterling.

A 1931, Mr. Attorney.

Q You meant 1931, is that correct?

A That is correct.

Q Can you tell us the value of the yen in terms of United States dollars in 1931, approximately -- the approximate figure -- was it about forty-nine cents?

A I can't give you the exact figure on that at

the moment, but it was approximately somewhere in forty cents.

Q Would you say it was not a little over forty-nine cents?

A I can't be exact on this point, Mr. Furness. I can give it to you from 1937. I have this information before me but when it was listed at an average of twenty-eight to twenty-three.

Q Perhaps you can investigate and give us the figure on Monday. In 1936 was it about a little over twenty-eight cents?

A Twenty-eight cents was an average.

Q Between 1936 and 1941 it decreased still further in value, did it not? You can refer to any notes that you have if you desire to do so.

A I have before me a copy of the Japan Yearbook at page 323-4 giving foreign exchange rates. I am trying to find the one. It says here in relation to the dollar the average for 1937 was 28.72, and in May of 1941 on the Tokyo open market it was 23.438.

Q And what was it in 1940?

A The average for 1940 was 23.438.

Q So that during those later years the purchasing power of the yen had greatly decreased, had it not?

A It decreased to the extent of the increase in prices and the depreciation in the value of the currency. During that period which we have just traced it was about five cents on the open foreign exchange market but within Japan it remained fixed at a pound sterling, for certain purposes at twenty-three cents. I think you will find as the money increased on the market and the prices went up, the purchasing power of the yen decreased.

Q So that as a result of the increase in prices and in the depreciation of value of the yen it would be necessary to spend more yen to buy the same amount in goods, would it not?

A That is right. That follows any inflationary policy that is stimulated by the government.

Q And that would account in part at least for the increased budget and expenditures during those later years?

A To a certain relative degree, yes. It would account for part of it.

Q I refer to page 116 of your statement which is, exhibit 840.

THE MONITOR: Mr. Furness, could you give us the paragraph number so that we can find the Japanese section?

MR. FURNESS: Paragraph No. 145.

Q (Continuing) In that paragraph you set forth the table listing fiscal year, total budget, total of War and Navy budgets--

THE PRESIDENT: It is paragraph 146.

MR. FURNESS: Paragraph 146.

Q (Continuing) Could you tell us how the budget in Japan is prepared and when?

A That is a big order, but--

Q Just the high points. When was it prepared, for one thing?

A The budget itself is usually prepared in the year preceding the time when the money is needed to be made available for the various governmental departments requiring the expenditures.

THE PRESIDENT: Is there any difference between Japan and any other country?

THE WITNESS: No substantial difference that I am aware of, Mr. President.

Q Prepared at the end of the preceding fiscal year on estimates submitted by government departments, is that correct?

A It usually takes a good portion of the preceding year for the Budget Bureau to prepare a budget. It is quite a job.

Q But the final completion of the job is at the end of the preceding fiscal year, is it not?

A That is correct. It is then submitted to the Diet and passed as a law and appropriations are made to the various branches accordingly.

THE PRESIDENT: Is there much further cross-examination?

MR. FURNESS: There are more after I get through. I do not expect to be very long. I may extend beyond four o'clock, however.

THE PRESIDENT: Nothing is to be gained by going on for the next two or three minutes. We will adjourn now until half-past nine on Monday morning.

(Whereupon, at 1556, an adjournment was taken until Monday, 28 October 1946, at 0930.)

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28 OCTOBER 1946

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EXHIBITS

Doc. No.	Pros. No.	Def. No.	Description	For Ident.	In Evidence
2604	862		May 19th 1938 issue of the Newspaper "The Japan Advertiser" re an article published therein entitled "Army Explains War Bill" (in the English language)	8789	
2604-A	862-A		Excerpt therefrom		8790
2605	863		May 20th 1938 issue of the Newspaper "The Japan Advertiser" re an article published therein entitled "Army Explains War Bill" (in the English language)	8789	

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EXHIBITS

(cont'd)

Doc. No.	Pros. No.	Def. No.	Description	For Ident.	In Evidence
2605-A	863-A		Excerpt therefrom		8790
756-G	864		Excerpts from "The Japan Year Book 1941-1942" (p. 233) "Revision of the Military Service Law" "Revision in 1939"		8802
1570	865		"Outline for the Establishment of a Population Policy"		8807
488-C	866		Additional excerpt from Document No. 488: a book entitled: "The Inevitability of the Renovation by HASHIMOTO" (p.139, paragraph 4) "A Leap Towards Armament"		8811
522	867		A photostatic copy of a telegram from the German Ambassador Ott in Tokyo to Ribbentrop dated 13 July 1941		8813
1795	868		Document entitled "Kampo No. 2142" (a bound volume of official gazettes for October 1940)	8816	
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Tuesday, 29 October, 1946

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INTERNATIONAL MILITARY TRIBUNAL
FOR THE FAR EAST
Court House of the Tribunal
War Ministry Building
Tokyo, Japan

The Tribunal met, pursuant to adjournment, at 0930.

- - -

Appearances:

For the Tribunal, same as before, with the exception of the HONORABLE R. B. PAL, Member from India, not sitting.

For the Prosecution Section, same as before.

For the Defense Section, same as before.

The Accused:

All present except OKAWA, Shumie and MATSUI, Iwane who are represented by their respective counsel.

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(English to Japanese and Japanese to English interpretation was made by the Language Section, IMTFE.)

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Duda & Barton

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now in session.

THE PRESIDENT: Our attention has been drawn recently to statements in the newspapers published in Tokyo purporting to indicate what will be the course of the evidence at this trial.

Whether any counsel before this Tribunal is personally responsible for those publications, we are unable to say. But we would like to remind counsel, whether for the prosecution or for the defense, that they should not endeavor to forecast what will be the course of the evidence. In all the circumstances that is highly undesirable.

We hope to read no more of these forecasts in the Stars & Stripes and the Nippon Times or in any other paper published in Japan.

Mr. Logan.

MR. LOGAN: If the Tribunal please, the Russian prosecution staff have requested me to ask permission of the Tribunal to have the witness P. F. Tereshkin returned to Russia, and the defense has no objection to him doing so, on the usual terms.

THE PRESIDENT: He may leave the jurisdiction on the usual terms.

J O H N G R A N V I L L E L I E B E R T, called as a witness on behalf of the prosecution, resumed the stand and testified as follows:

CROSS-EXAMINATION (Continued)

BY MR. LOGAN:

Q Mr. Liebert, in your statement that you prepared you stated the source of some of your facts and figures with respect to electric power, crude oil, steel, aluminum, and machine tools. Can you tell us whether or not all the other facts and figures with respect to raw materials were obtained by you from the official files of some branch of the Japanese Government?

A Yes, from official sources of the Japanese Government and from control association files where this information has been compiled in its exacting nature.

Q You also stated, Mr. Liebert, on the first day you were on the stand, that you obtained statistics and information from sources not only within Japan but outside of Japan. Now, can you tell us what sources you used and what facts and figures you presented in this statement which you received from sources outside Japan?

A For comparative purposes, certain trade

statistics which were files of the United States Government or publications of the United States Government; and in the matter of propositions of this nature like the machine tools purchased by Japanese Army arsenals, that particular information was taken from the Research Project, the confidential report of the United States Department of Justice on Japanese arsenals, and in return that report in the United States was made up by investigation of specific plants selling machine tools to Japan on a survey report.

Q Were they based on estimates with respect to machine tools?

A No, on specific orders showing delivery dates and destinations.

Q Well, the total of that survey would be based on an estimate, wouldn't it?

A No, sir, on specific orders shipped.

Q Well, if they didn't compile the figures, all the figures for any one particular year, especially the earlier years, it would then be an estimate, wouldn't it?

A No estimate was made as to the amount of machine tools sold before 1937. After 1937, the figures are exact, showing the name of the arsenal to which the tools were shipped and the amount in dollars and

cents.

Q Am I to understand, Mr. Liebert, with respect to your figures and facts on coal and all the products you have listed under chemical industry, and the coke and coke oven by-products and iron ore, pig iron, and light and non-ferrous metals with the exception of aluminum, were obtained from documents which you saw and obtained from some agency of the Japanese Government?

A That is correct. The figures for aluminum production were taken from the Light Metal Control Association report and the Minister of Finance. For iron and steel, they were taken from the Ministry of Commerce and Industry and the Iron and Steel Council. The figures on coke oven by-products were taken from the Minister of Commerce and Industry and the Coke and Coke Oven By-products Control Association, et cetera.

THE PRESIDENT: I had a discussion yesterday with Major Moore, the head of the Language Section, and as a result of that I decided to stress three points: We should all speak into the microphone, speak slowly, and speak in short sentences if possible.

Q Did you take any facts and figures from the Japan Year Book?

A The only figures from the Japan Year Book which I have quoted, to the best of my recollection, before the Tribunal were those regarding statistics on rates of exchange and population. I have, Mr. Attorney, attempted to use the most authoritative sources for all information which I have quoted.

As you no doubt know, certain of the recapitulations which were made in the statement prepared have never before appeared in print because disclosures of some of these figures were forbidden by law.

Q Mr. Liebert, in your investigation I assume that you have examined hundreds of documents and reports and memoranda with respect to these figures which you have assembled here. Is that correct?

A I have examined many, many documents.

Q And you discarded, I presume, or disregarded some of these documents because, in your opinion, they were not material to the presentation of the facts as you saw them; is that correct?

A Some were discarded because they were not material, others because they were inaccurate, for many reasons. I made a selection of documents on the basis of those demonstrative of the truth of the point which I wished to show.

Q Did you discard or disregard any which would have in any manner changed the figures, the tables or charts which appear in your statement?

A You mean, did I alter these figures to over-emphasize war production or the point I wished to establish?

Q No. What I mean, Mr. Liebert, is, did you have, for example, two sets of figures with respect to any one of these raw materials and just accept one and discard the other?

A I used those figures which demonstrated the truth. It is difficult to express it any more clearly than that, because by leaving out certain components which went into the makeup of these charts, some of the charts which I have shown would show a graph that goes clear off the page. Let it suffice to say that these figures are as exact as it was within my power to get them.

Q All right. We are willing to accept that, Mr. Liebert.

Your charts, in the main, and the figures you have presented show production in Japan and the imports of these raw materials in various years. That is correct, isn't it?

A That is correct.

Q And in no instance do you show what part or percentage of these raw materials was actually used in production of equipment for war, and what part or percentage was used for the production of peacetime necessities?

A In all cases the figures were not available to make an accurate statement in that regard. But in those cases where it was possible to do so, I have done it and demonstrated that fact on the charts; witness chart 7-A --

Q Yes. I believe there are five charts you used. But outside of those, you didn't demonstrate it, is that correct?

A I believe that is correct.

Q And outside of these five charts, your figures for all these other raw materials fail to show the percentage that was used in any one particular year for war purposes; isn't that correct?

A That is correct.

Wolf & Yaiden

Q You have stated, Mr. Liebert, that Japan is dependent on imports to exist, and in fact all raw cotton, wool, crude rubber must be imported?

A Yes.

Q And the major portions of iron and non-ferrous metals must be imported; is that not correct?

A That is correct.

Q Is it a fair statement to make, Mr. Liebert, that once Japan became embroiled in a world war, it would be necessary, if she had been preparing for that war, to have huge stockpiles not only of these materials I have just mentioned, but all the others set forth in your statement on hand for manufacturing purposes?

A I don't quite understand your question, but may I break it into two parts?

Q Let me ask it in this way, Mr. Liebert. If Japan were preparing for war at the time it broke out, she would necessarily have to have on hand huge stockpiles of these raw materials, wouldn't she, to prosecute the war because she was primarily an importing country?

A That is correct. She would have necessarily as great stockpiles as possible of those critical materials which she could not get for herself during the progress of a war.

Q And you have, Mr. Liebert, on several

occasions during your testimony referred to the increased stockpiles which you said Japan had as an indication that she was preparing for war. Now, I assume, you were referring to stockpiles of raw materials; is that correct?

A The stockpiles of raw materials and a great stockpile of potential production.

Q By "potential production" do you mean the imports which she had as set forth in your figures in all these years?

A I mean the allignment of factories in such manner that they could be rapidly switched from production at the moment to production of absolute war products.

Q Maybe we do not understand one another, Mr. Liebert. I am not referring to factories; I am referring solely to stockpiles of raw materials.

A Yes, I know, and I used the word "stockpiles" in that sense and also to include the further elements which we must consider as a stockpile of potential production. I will confine my answer, however, to stockpiles of raw materials so that we can get together on this.

Q Yes. In all of your charts and all of your figures, Mr. Liebert, with respect to raw materials

you do not set forth what stockpiles Japan had in any one raw material at the end of any one year with the exception of crude oil; is that not correct?

A I have used "available supply" in several instances. This is tantamount to the same thing.

Q Where, for example, did you use "available supply?"

A Refer to the chart on "Machine Tools."

Q No, I am referring, Mr. Liebert, to these raw materials, such as coal and all the elements you have included in your chemical industry, your ores and your steels and your light and non-ferrous metals.

A In those instances where it has been possible to fix with a degree of accuracy what the consumption was, it is possible only to say what the stockpile was at that particular time. I have no way of knowing in certain of the chemical industries exactly how much of the production for the years indicated was, in effect, used. With reference to the chemical industry which you have just mentioned, that is a so-called indigenous industry on which Japan did not have to rely for -- on which she did not have to rely upon imports for continuing production. That is the important fact of building up a potential during these years -- a potential of indigenous productions which did not have to rely

on imports from the outside in the event of war.

Q But even, Mr. Liebert, with respect to raw materials which Japan did not have to import, would it not be necessary if you were preparing for war to build up huge stockpiles of those too?

A Not necessarily, if your production lines are established, it isn't. If your industry is geared to war-time production from war materials to the finished products, that is the important item.

Q But even with respect to these products which they did not have to import, none of your figures show what stockpiles Japan had with respect to either those they had to import and those they did not have to import at the end of any one year; is that not so with the exception of crude oil?

A Let me refer you to page 53 of the statement. You see there the total available supply of tin.

Q Yes, but you do not state, Mr. Liebert, whether or not those 4345 tons were manufactured in the year 1931. In other words, your figures do not show the amount of raw material that was piled up for war use.

A I have shown that these critical materials were funneled by the operation of various laws and control mechanism into war production. Let us assume --

Q Mr. Liebert, may I interrupt you before

getting off into a discussion about that. Is it not a fact that your figures do not show from the example you have pointed out whether or not that 4345 tons for the year 1931 were or were not manufactured that year?

A That is true. That amount was available for manufacturing purposes.

Q And in order to find out how much was piled and stocked away for war purposes, one would have to know how much of it was consumed in that year; is that not so?

A That is correct.

Q And your figures throughout your statement with respect to all these raw materials failed to show the amount that was consumed in any one year with the exception of crude oil; is that not so?

A That is true substantially.

Q So that your figures do not show any stockpiles on December 7, 1941; is that not true?

A Expressed in exactly that manner, they do not.

MR. LOGAN: If the Tribunal please, I believe there is one question left over that defense would like to have -- the figures Mr. Liebert obtained on the budgets, the actual figures he received, if we

could have those produced. May we have an order to that effect, your Honor?

THE PRESIDENT: We will hear the prosecution first. It may be an order in invitum, I do not know.

Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, I am afraid I do not quite understand what my learned friend has asked for. The witness has produced to the Tribunal the budget figures.

THE PRESIDENT: They want the material from which he made up his report. They think he had a choice and that he exercised it against them; at least they suggest that. That is my impression.

BRIGADIER QUILLIAM: The witness, may it please the Tribunal, has already told us that he obtained three lots of figures, budget figures, before he got accurate figures.

THE PRESIDENT: They suggest before he got figures that suited him.

BRIGADIER QUILLIAM: Then I respectfully suggest that the proper way is to prove that the witness's figures are wrong, which would be competent for the defense to do, if they can.

THE PRESIDENT: Those documents are in the possession of the Japanese Government and are subject

to an order of this Court, I take it.

BRIGADIER QUILLIAM: If your Honor pleases, a great deal of the cross-examination of the witness has been of a general, of a fishing nature and this seems to me another example.

THE PRESIDENT: As you oppose the application here it may be that I should deal with it in Chambers and if the defense are not satisfied they could bring the matter before the whole Court.

BRIGADIER QUILLIAM: If your Honor pleases.

LIEBERT

MR. FURNESS: That will be satisfactory, sir. We do call attention to the fact that the witness has testified that all these figures, especially with respect to the fiscal year 1941, were included in the budget adopted at the end of the fiscal year 1940. We doubt that, and we cannot understand why, if there is no doubt as to the accuracy of the figures, why they should have any objection to producing them.

BRIGADIER QUILLIAM: May it please your Honor, I submit that in the circumstances that comment was entirely unjustifiable; and may I be permitted to point out that this witness has been cross-examined by nine counsel over more than three days, and no serious or proper attempt has been made to challenge the accuracy of any of his figures. He has offered to make available to the defense his information and to give the sources of his information. Not one request for that has been made. But, I desire to assure the Court that if the defense asks for information -- reasonable information -- it will be given gladly.

MR. FURNESS: We submit that is exactly the request we are making. We are, however, perfectly willing to take it up in Chambers.

THE PRESIDENT: Perhaps there would be no

need for an application in Chambers; but if there is, I will deal with it. Matters such as discovery are dealt with in Chambers and not in Court. That is why I suggested it should come to me in Chambers.

Mr. Levin.

MR. LEVIN: Mr. President, the cross-examination on the part of the defense is concluded.

THE PRESIDENT: Brigadier Quilliam.

BRIGADIER QUILLIAM: May it please the Tribunal, I do not propose to re-examine the witness, and I ask leave for the witness to be allowed to leave the Tribunal and also to return to the United States on the usual conditions.

THE PRESIDENT: Well, there is no opposition.

MR. LEVIN: Mr. President, we have no objection.

THE PRESIDENT: Mr. Liebert may leave Japan on those conditions.

(Whereupon, the witness was excused.)

BRIGADIER QUILLIAM: May it please the Tribunal, that concludes the evidence with respect to economic preparations, and my colleague, Mr. English, will now present the evidence with respect to military preparations.

THE PRESIDENT: Mr. English.

AUTHORITY FOR DOWNGRADING OR DECLASSIFICATION PER SECT 3(E) AND 3(D) OR (E) NNDG # 775 012

MR. ENGLISH: Mr. President, Members of the Tribunal, it is now proposed to produce evidence of Japan's general military preparations for her wars of aggression. The evidence affects counts 1 to 36 inclusive and Section 5(b) of Appendix A of the Indictment.

Reference is made to Court exhibit No. 84, the National General Mobilization Law, page 684 of the record. Will the Clerk please mark for identification prosecution documents 2604 and 2605 for May 19th and May 20th, 1938, issues of the Japan Advertiser, a newspaper published prior to October 10, 1945, in Tokyo in the English language.

CLERK OF THE COURT: Prosecution's document No. 2604-A will be given exhibit No. 862 for identification only; and prosecution's document No. 2605-A will be given exhibit No. 863 for identification only.

(Whereupon, the above-mentioned documents were marked prosecution's exhibits Nos. 862 and 863 for identification only.)

MR. ENGLISH: I offer in evidence prosecution documents Nos. 2604-A and 2605-A, excerpts from prosecution documents 2604 and 2605, and being an article entitled "Army Explains War Bill," a translation of the text of a pamphlet issued by the War

Department explaining the provisions of the National Mobilization Bill and appearing on page 4 of the May 19 and May 20, 1938 issues. Two certificates are attached to the documents: one certifying that the original pamphlet or a copy thereof cannot be found in the files or archives of the First Demobilization Bureau; the other that the present Nippon Times absorbed the former Japan Advertiser on October 10, 1940 and all records of the Japan Advertiser prior to that date have been lost or destroyed and that the original manuscript from which the article was translated cannot be located.

Will the Clerk please assign to prosecution documents 2604-A and 2605-A exhibit numbers?

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document No. 2604-A, being an excerpt from the prosecution's document 2604-A, will receive exhibit No. 862-A; and the excerpt from prosecution's document No. 2605-A will receive exhibit No. 863-A.

(Whereupon, the above-mentioned documents were respectively marked prosecution's exhibits Nos. 862-A and 863-A and were received in evidence.)

MR. ENGLISH: If the Tribunal please, I will

read part of the article on page 4 of the May 19, 1938 issue commencing with the beginning and continuing to the sub-heading "Summary of Articles."

(Reading): "The Japan Advertiser, Tokyo, May 19, 1938.

"ARMY EXPLAINS WAR BILL.

"Scope of General National Mobilization Law Takes in Every Private Industry; Toys and Raw Silk May be Included.

"Following is the translation of the text of a pamphlet issued by the War Department, explaining provisions of the National Mobilization bill. The concluding part will appear on this page tomorrow.

"Under the existing international circumstances, it is necessary for the Japanese people to have a clear and unified understanding and appreciation of the National General Mobilization Law. We will, therefore, explain first the form and scope of the law and then its contents.

"Although some of the items in the law are secret matters and we can not reveal them to the public at large for the time being, we will, at any rate, try our best to show the spirit and substance of the law as a whole so that readers may grasp its reality purely from the viewpoint of national defense.

DECLASSIFIED EXEMPTIONS SEC. 3(E) AND 3(D) OR (E) NNDC # 775 012

"Japan faces on her north the Soviet Union, which, with an ambition to sovietize the world, has organized an immense army and has completed her national defense all along her boundary lines. On her west she has the Chiang Kai-shek political power with a violent policy of resistance against her. Moreover, she is surrounded by the powerful navies of the United States and Great Britain. As an island Empire she is narrowly limited in her land area and woefully lacking in natural resources. Under such conditions, it is simply inevitable that Japan has to face great difficulties in organizing a plan which makes for the efficiency of her national defense.

"Defense Line Shifted

"The Manchurian Incident has brought about a great change in the condition of national defense. The situation has been enhanced by the present Incident. Under the new situation, the line of national defense has been shifted several hundred miles further from the national boundary and extended to Central China by way of North Manchuria and North China, a distance of more than a thousand miles. In the face of this, it has become a matter of supreme importance for Japan to expand and strengthen all aspects of her national power to hold this line of defense effectively for

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 072

the establishment of permanent peace in the Orient in cooperation with Manchukuo and North and Central China. A success or failure in her attempt to realize this national ideal depends upon the determination of the Japanese people. For many years to come, Japan must make very serious efforts in perfecting and strengthening her national defense for the realization of this ideal and the National General Mobilization Law is intended to accomplish this end.

"By the national General Mobilization, Japan aims to control and operate her entire personal and material resources to the fullest possible extent in order to enable her to demonstrate her national power most effectively for her national defense in time of emergency. In other words, she seeks to mobilize her national vitality to the greatest possible extent, in order to enable her to supply her army and navy with the vast amount of war materials they require in time of war to secure the smooth economic operation for the stability of national life, and at the same time to demoralize the enemy on the battlefield as well as on the economic and propaganda fronts. Military success in the future depends chiefly upon superiority to the enemy in the ability to fight by mobilizing systematically and effectively the synthetic national

DECLASSIFIED BY: NSSE SEC. 3(E) AND 3(D) OR (E) NNDG # 773 072

Greenberg & Eder

strength as long as war continues."

THE PRESIDENT: We will recess for fifteen minutes.

(Whereupon, at 1045, a recess was taken until 1100, after which the proceedings were resumed as follows:)

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

THE PRESIDENT: Mr. English.

MR. ENGLISH: (Reading)

"By synthetic national strength, we mean the national strength consisting of all elements, tangible and intangible, of personal and material resources. The national general mobilization calls for the concentration of these elements most systematically to one constant synthetic national power for an effective demonstration in order to gain the final victory in a war.

"All elements of national strength may be displayed effectively by the efficient operation of the national system. Since the national system is operated by man, the source of fighting strength is the people and their spiritual power. From this consideration, it is obvious that the mobilization

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) NNDB # 775 012

of spiritual power is more important than any other element of national strength. All possible efforts, therefore, must be made by mobilizing educational institutions and propaganda organs for a unified campaign to intensify the fighting spirit of the people, which will enable them to endure any amount of hardship and difficulties.

"Another important matter in the scheme of general mobilization is the acquisition of vast quantities of necessary materials to supply the army and the navy. In time of war, all kinds of materials will be consumed in great quantities due to the vast expansion of fighting equipment in keeping with the progress of science. In order to satisfy this demand, the government must collect and prepare them for use speedily in the shortest time possible. A shortage of war materials must be made up by acquiring them from abroad in good time. On the other hand, the government must make efforts to increase the production of such materials at home and have them in store to provide for any possible contingency. It may be necessary for the government to limit or prohibit the consumption of certain war materials for ordinary purpose or to encourage the people to use substitutes for them."

DECLASSIFIED E.O. 14,652 SEC. 3(E) AND 3(D) OR (E) NNDG # 775 012

"In order to facilitate such activities, it is necessary to unify all producing enterprises and organs of exports and imports for a systematic production and distribution. For this purpose, the government will have to issue various regulations by Imperial ordinances. It will also take necessary steps to prevent a rise in prices of commodities and may go the length, if necessary, of fixing official prices on such commodities. Japan is blessed with plenty of foodstuffs, but some arrangement will have to be made to prevent a possible decline in production.

"With the outbreak of a war, a large number of young men who are working in mines and factories will be called to the colors, and those establishments must be replenished with a greater number of operatives than before to meet the exigency. In time of war, however, all organizations engaged in peace industries may have to curtail their activities or even suspend them altogether because their products may not be wanted in such a time or due to difficulty in securing raw materials to work upon, with the result that a large number of operatives will be put out of work. The object of personnel mobilization is to adjust the demand and supply of labor to cope with the situation. For this purpose, it is necessary