

PROCEEDINGS OF THE JOINT COMMITTEE ON THE INVESTIGATION
OF THE PEARL HARBOR ATTACK

CONGRESS OF THE UNITED STATES, SEVENTY-NINTH CONGRESS, FIRST SESSION

Excerpt From Testimony of Admiral Harold R. Stark - Friday, January 4, 1946

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(P 2379 - 2381)

Senator Ferguson. About the oil question, and your attitude toward Japan. Did you not testify before the Navy court, on page 43, question 117, that after the imposition of economic sanctions upon Japan in the summer of 1941 you stated that Japan would go somewhere and take it (oil), and that if you were a Jap you would?

Admiral Stark. I think that is correct. You are reading from the record, and I stand back of it. I stated it, and I stated in the State Department, as I recall, that if a complete shut-down was made on the Japanese, throttling her commercial life and her internal life and her essential normal peace life by stopping her from getting oil, that the natural thing for (6340) a Jap was to say, "Well, I will go down and take it."

Senator Ferguson. Did you attend the White House conference on the 24th of July 1941 with President Roosevelt and the Secretary of State, or Under Secretary Mr. Welles, where it was indicated to the Japanese Ambassador that the British, the Dutch and American Governments were about to impose upon Japan an oil embargo?

That is in Foreign Relations, volume 2, on page 527, to refresh your memory.

Admiral Stark. Well, I recall a good many discussions about economic sanctions. I do not recall that particular one. I remember very clearly one meeting in the White House about that period with the Japanese Ambassador, and I think it was Mr. Welles and not Mr. Hull, in which we were struggling to keep the peace in the Pacific, when Nomura stated it was necessary for them to secure themselves regarding certain products in Indochina, food, rice, and the President proposed that, so far as his position could have influenced he would endeavor to see that they got food and their minimum needs, provided they would stop their aggression.

Senator Ferguson. Well, I got this quote from the official record, and I wondered whether that would refresh your memory.

Admiral Stark. I do not recall that particular meaning (6341) to which you refer.

Senator Ferguson. Do you remember on that same occasion that the President did tell Japan, that is, through the Ambassador, that should she then attack to get oil by force the Dutch and British would go to war against her? That is on page 527.

Admiral Stark. That the President said, "if" - what, sir?

Senator Ferguson. That on that occasion he said to the Japanese Ambassador should she attack to get oil by force the Dutch and British would go to war against her?

Admiral Stark. I do not recall that particular statement.

Senator Ferguson. On page 527.

Admiral Stark. I do not recall that particularly.

Mr. Mitchell. Senator, I have here papers that we very recently dug out of the State Department files, a letter of July 22, 1941, by Admiral Stark to Mr. Welles, about the possible effect of an embargo, and attached to it, on July 19, 1941, is Admiral Turner's analysis of the embargo problem which was sent to Mr. Welles, with the notation at the bottom "I concur in general. Is this the kind of picture you wanted? HRS."

Senator Ferguson. That will help. I will quote from page 527 of Foreign Relations:

The President said that if Japan attempted to (6342) seize oil supplies by force in the Netherlands East Indies, the Dutch would, without the shadow of a doubt, resist, the British would immediately come to their assistance, war would then result between Japan, the British and the Dutch, and, in view of our own policy of assisting Great Britain, an exceedingly serious situation would immediately result.

Do you remember that?

I do not think you and I have the same volume.

Admiral Stark. I think we have.

Senator Ferguson. It is at the bottom of page 527.

Admiral Stark. I do not recall it. But it undoubtedly took place, being in here.

Senator Ferguson. Now, do you know whether or not shortly after that, in fact about 48 hours, the embargo did go on?

Admiral Stark. The embargo went on, as I recall, on the 26th. This is the 24th; yes, sir.

Senator Ferguson. Now, referring to page 531 of that same book, that is the conversation between Colonel Iwakuro and Mr. Wikawa and Mr. Ballantine, were you informed on that day that the Japanese military attaché told Mr. Ballantine that Japan would have no alternative sooner or later but to go to Malaya and the Dutch East Indies (6343) for oil and other material?

Admiral Stark. I do not recall that, but it is in line with the thought I had as to what to do.

Senator Ferguson. Now, Admiral, taking the high-ranking officials in our Government, you said that you thought sanctions such as this oil, and so forth, would bring war on ultimately. Who else agreed with you?

Admiral Stark. Well, according to Peace and War, and which I read into my statement, I think the State Department also agreed with it.

Senator Ferguson. Well, did General Marshall?

Admiral Stark. Well, I would rather you asked him. My recollection is there was no difference of opinion amongst us with regard to that, and this Peace and War states:

Practically all realistic authorities have been agreed that imposition of substantial economic sanctions or embargoes against any strong country, unless that imposition be backed by a show of superior force, involves serious risk of war. The President and heads of the Army and Navy and Department of State were in constant consultation through this period regarding all the aspects of the diplomatic and military situation.

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(P 2382 - 2384)

(The matter referred to follows:)

In reply refer to Initials
and No. Op-10 Hu

Navy Department,
Office of the Chief of Naval Operations,
Washington, 22 July 1941.

Dear Mr. Welles: The latter part of last week the President asked my reaction to an embargo on a number of commodities to Japan. (6345) I expressed the same thought to him which I have expressed to you and to Mr. Hull regarding oil, but as to the subject in general I would be glad to have War Plans Division make a quick study. This study was finished yesterday. I sent it to the President and told his Aide I should also like to send you a copy. The President expressed himself as pleased with it and asked me to send a copy to Mr. Hull, which I have done; and to talk it over with you.

Will you send for me at your convenience?

Sincerely,

H. R. STARK

Honorable SUMNER WELLES,
Under Secretary of State,
State Department, Washington, D. C.

Op-12-djm.

Jul 19 1941.

SECRET

From: The Director, War Plans Division.
To: The Chief of Naval Operations.
Subject: Study of the effect of an embargo of trade between the United States and Japan.

Enclosures:

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(A) Copy of the following tables:

(1) Exports to Japan--December 1940 through May 1941.

(2) Exports from Hawaii to Japan--December 1940 through May 1941.

(6346) (3) Exports from the Philippines to Japan--December 1940 through May 1941.

(B) Copy of the following tables:

(1) Imports from Japan--December 1940 through May 1941.

(2) Imports from Japan to Hawaii--December 1940 through May 1941.

(3) Imports from Japan to the Philippines--December 1940 through May 1941.

1. Purpose.--The purpose of this study is to determine the effect that would be produced by the enforcement of an absolute or partial embargo on trade between the United States and Japan. Detailed consideration has not here been given to the trade between Japan and the Philippines.

2. United States exports to Japan in 1940.--United States exports to Japan in 1940 were valued at \$227,000,000, a decline of \$5,000,000 from 1939, and of \$13,000,000 from 1938. During the first ten months of 1940 the value of exports advanced, due to higher commodity prices and Japan's increased demand for American products as a result of enforced curtailment of her purchases from Europe. However, sharp recessions in export trade during the last two months of 1940, occasioned in part by the application of export license control to certain products, wiped out earlier gains. In November and December, particularly sharp declines were registered in machine tools, ferro-alloys, and refined copper while scrap-iron exports were practically negligible.

¹The tables referred to were not submitted to the official reporter.

(6347) 3. Present trends of exports.--(a) United States exports to Japan during the first five months of 1941 were valued at \$47,000,000 as compared with \$91,500,000 for the same period of 1940. During the current year trade has declined steadily from \$11,336,000 in January to \$6,594,000 in May (see Enclosure (A)).

(b) The principal factor affecting exports to Japan during the past year has been the progressively restrictive effect of export control measures. The virtual disappearance from the trade in 1941 of iron and steel products and of metal-working machinery, which together accounted for shipments valued at \$67,000,000 in 1940, was the direct result of an embargo on shipments of these commodities to Japan. The sharp drop in Japanese purchases of raw cotton during 1940, however, was the result of other influences.

(c) (1) During 1939 Japan purchased American raw cotton valued at \$42,500,000, while in 1940 her purchases amounted to only \$29,500,000. This drop was due to the large quantity of piece goods then on hand in Japan, the relatively high price of American cotton compared to that of India and of Latin America, and shipping requirements for items needed more urgently. In November 1940 American exports of raw cotton were valued at only \$157,000; they have risen steadily since then, reaching \$881,000 in May 1941.

(2) Declines in luxury items, including automobiles, (6348) are due to a decline in purchasing power in Japan and to Japanese action in placing restrictions on the importation and use of these items, rather than to United States export restrictions.

(d) Petroleum exports during 1940 increased by \$9,300,000, or 21%, over the figure for 1939. Exports for the first five months of 1941 were valued at \$27,200,000, or 50% of the total for the entire year 1940. This is contrary to the general trend of exports.

(e) Sharp reductions in available ship tonnage has contributed to the fall in exports. Due to withdrawals from trade of additional vessels, future exports to Japan will be even less, regardless of export restrictions.

4. Imports from Japan.--(a) Imports from Japan to the United States during 1939 were \$161,000,000 and in 1940, \$158,000,000. For the first four months of 1941, imports amounted to \$40,000,000, a decline of only \$8,200,000 from the same period in 1940; this compares with a decline in our exports of \$37,300,000. Our exports to Japan exceeded our imports from that country, during the period 1 January to 30 April, 1941, by only about \$500,000, much less than usual. One result of the system of export control is thus seen to be the arrival at a balance between exports and imports. This fact permits Japan to pay in kind for all goods sent to her from this country, and a continuation of the (6349) present trend may soon make her our creditor.

(b) The following table shows items of imports valued at more than \$1,000,000 during 1940:

Item	Value of 1940 Imports
Crabmeat -----	\$3,269,000
Tee -----	3,190,000
Cotton cloth, bleached-----	2,263,000
Raw silk-----	105,311,000
Silk fabric, except pile-----	1,661,000
Hats, bonnets, and hoods-----	1,143,000
China and porcelain ware-----	2,423,000
Earthen and stoneware-----	1,096,000
Total -----	\$120,356,000

These eight items account for 76% of our imports and indicate where curtailment might start if it is decided to take steps to reduce Japan's markets.

5. Effect of further restrictions on exports.--(a) The most important fields for exercising further restrictions on exports are petroleum products and raw cotton, which accounted for 74% and 13%, respectively, of the trade in May, 1941.

(b) It is generally believed that shutting off the American supply of petroleum will lead promptly to an invasion of the Netherlands East Indies. While probable, this is not necessarily a sure immediate result. Japan doubtless knows (6350) that wells and machinery probably would be destroyed. If then engaged

in war in Siberia, the necessary force for southward adventures might not be immediately available. Furthermore, Japan has oil stocks for about eighteen months war operations. Export restrictions of oil by the United States should be accompanied by similar restrictions by the British and Dutch.

(c) Restrictions on the export of raw cotton would probably be serious for Japan only if India, Peru, and Brazil should apply the same restrictions. Cotton stocks in Japan are believed to be rather low at present.

(d) It will, of course, be recognized that an embargo on exports will automatically stop imports from Japan.

(6351) (e) An embargo on exports will have an immediate severe psychological reaction in Japan against the United States. It is almost certain to intensify the determination of those now in power to continue their present course. Furthermore, it seems certain that, if Japan should then take military measures against the British and Dutch, she would also include military action against the Philippines, which would immediately involve us in a Pacific war. Whether or not such action will be taken immediately will doubtless depend on Japan's situation at that time with respect to Siberia.

(f) Additional export restrictions would hamper Japan's war effort, but not to a very large extent since present restrictions are accomplishing the same result, except with regard to oil, raw cotton, and wood pulp. Thus, the economic weapon against Japan has largely been lost, and the effect of complete embargo would be not very great from a practical standpoint.

6. Effect on the United States of a loss of imports from Japan.--(a) As previously mentioned, exports and imports are approaching a balance. If exports cease, imports will also cease, as Japan would not have the means to continue her purchases. The same effect would be produced if we stopped (6352) buying from Japan, but attempted to continue our exports.

(b) In 1940, raw silk formed 69 percent of United States imports from Japan. Silk is processed here. It is used in industry and for certain munitions, particularly powderbags. The armed services have large stocks of raw silk, and could get along without further imports, though silk substitutes are not entirely satisfactory. Doubtless industry could manage without silk, although the lack of it would cause a considerable dislocation of labor now employed in the industry. The effect of stopping the purchase of silk would also have an adverse psychological reaction on the part of Japan, though possibly not so great as would an export embargo.

(c) Stopping other imports from Japan would not cause any great hardship in the United States, although the general effect on industry would be adverse.

7. Conclusions.--(a) Present export restrictions, plus reductions of available ship-tonnage for use in Japanese trade have greatly curtailed both exports and imports.

(b) The effect of an embargo would hamper future Japanese war effort, though not immediately, and not decisively.

(c) An embargo would probably result in a fairly early attack by Japan on Malaya and the Netherlands East Indies, (6353) and possibly would involve the United States in early war in the Pacific. If war in the Pacific is to be accepted by the United States, actions leading up to it should, if practicable, be postponed until Japan is engaged in a war in Siberia. It may well be that Japan has decided against an early attack on the British and Dutch, but has decided to occupy Indo-China and to strengthen her position there, also to attack the Russians in Siberia. Should this prove to be the case, it seems probable that the United States could engage in war in the Atlantic, and that Japan would not intervene for the time being, even against the British.

8. Recommendation.--That trade with Japan not be embargoed at this time.

R. K. TURNER

(Written in longhand:)

I concur in general.

Is this the kind of picture you wanted

H. R. S.

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