

Translated by
Defense Language Branch

INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

THE UNITED STATES OF AMERICA, et al

-vs-

ARAKI, Sadao, et al



SWORN DEPOSITION

Deponent: OGAWA, Yataro

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

1. I (OGAWA, Yataro) was born in June 1888. After graduating from the Law Course of the Tokyo Imperial University I entered into business and engaged chiefly in the lines of machinery manufacture and steel and mining industries.

In December 1939 I was elected director of Kita-China Kaikatsu Kaisha (North China Development Co.) and held that office until December 1941 when I resigned the post.

2. All important business activities of the North China Development Co. were subject to supervision of the China Affairs Board. Therefore the Company was nothing more than an intermediary organ, and it was so provided that the company was powerless to take any

initiative whatever. Thus the president of the company possessed by far a narrower scope of authority than the president of an ordinary bank or of a holding company. On this account there was heard a heated debate in various quarters, criticizing the uselessness of the company. While my main outward reason for resigning the post in the company was ill health, another strong reason was the fact that I had got sick of remaining any longer in such a company where I had to work under such restrictions.

3. The business fund of the North China Development Co. consisted entirely of subscriptions paid by its stockholders and of the loans obtained in Japan.
4. Whereas the North China Development Company supplied funds in the form of loans or investments to such enterprises as specified by law, these enterprises did not embrace all categories of industry. In other words a capitalistic monopoly was not the aim of the company, neither was I told that the government had ever harbored such a monopolistic plan. To cite an instance to endorse this, there were numerous coal mines in the district with which the company was in no way concerned. I further remember that in the years 1940-1941 the ratio between the company-subsidiary coal mines and others in coal output was about fifty-fifty. The company had not invested a cent in the coal mines located in the neighborhood of Peking which were the source of supply of coal to the citizens of that city -- such as Dali Coal Fields, Mentoukuo Coal

Fields and others located in the same district. Those collieries were operated either as an independent Chinese enterprise or as a joint Sino-Japanese enterprise.

5. The North China Development Co. was not permitted to operate any industrial enterprise by itself. Consequently the company never concerned itself with the work of taking over the operation of any Chinese enterprise, nor was there any instance of the North China local government having ever transferred an enterprise to the company.
6. The North China Development Co. never formulated any plan for mobilization of materials and resources in the Japanese Army occupied zone in North China. The company was only called upon to investigate such items as productive capacity of its subsidiary concerns, amounts of funds and materials required by them, etc. and to report the result of such investigations to Koa-In (China Affairs Board).
7. It was common knowledge that the coal output in North China prior to the outbreak of the China Incident was 15,000,000 tons per year. After the outbreak of the incident, however, every coal mine suffered a temporary setback in its production due to havoc wrought by the retreating Chinese troops to the production equipments of the mines, the general social unrest and the disturbance of public order and other incidental factors, and the coal output during 1938 dwindled to about 10,000,000 tons. Due to the effort of the Japanese the coal output in 1940 broke all past

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records and reached more than 18,000,000 tons, and the following year's production showed a new high of 23,000,000 tons, and thousands of Chinese were thereby given opportunities for new jobs. Mr. KAY, there were few expert engineers among the Chinese, inaugurated within the company an institute designed to afford facilities of technical education to young Chinese and many Chinese young received technical education and training at this institute.

8. I also remember that in the early part of 1940 there happened to be, as a temporary phenomenon, extreme difficulty in procuring house coal in Peking. This was occasioned by the decrease in coal production following the outbreak of the China Incident as referred to, coupled with the reluctance of Chinese coal producers and dealers in Peking-Tientsin area to sell their ware and the hoarding of coal by speculators. Naturally the coal prices in Peking soared up. This situation, however, was remedied by the increased production as mentioned before, which, combined with an improvement effected in marketing and distribution of coal by North China Coal Selling Co. which was established in October, 1940, served to insure a smooth supply of coal in that district.
9. With coal output in North China thus stepped up, the export of this article to Japan increased, and I remember also a marked increase of coal supply for local consumption in North China. At that time the Koa-In (China Affairs Board) was strongly opposed

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to the coal export to Japan being increased at the expense of its local consumption in North China. I remember it was when the coal prices for the year 1940 were decided that, in response to demand made by producers in North China for higher prices to cope with increased production cost, the Japanese government acceded to such demand and allowed the prices of coal for Japan to be advanced but disapproved any increase in prices of coal for local consumption.

I further remember President KAWA remarking at a company meeting to the following effect:

"We are not allowed to squeeze the Chinese people. To squeeze is against morals. There can be no lasting good relationship between one who squeezes and one who is squeezed. Squeezing goes counter to the principle of co-existence and co-prosperity."

10. As previously stated, in all matters pertaining to loans or investments in subsidiary companies, the North China Development Company was required to obtain instructions from the China Affairs Board. But at no time, I remember, did the North China Development Company receive any instruction from the China Affairs Board to the effect that approval be given to all plans for enlargement of plants or increase in production by the subsidiary companies where said plans call for consumation in or around the year 1941, nor any instructions to make loans or investments in companies having such plans.

On this 26th day of Sept., 1947

at Tokyo

DEPONENT /s/ OGAWA, Yataro (seal)

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I, TANAKA, Yasumichi, hereby certify that the above statement was sworn by the deponent, who affixed his signature and seal thereto in the presence of this witness.

On the same date

At Tokyo

Witness: /s/ TANAKA, Yasumichi (seal)

OATH

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

/s/ OGURA, Yataro (seal)