Exh. No.

Translated by Lefense Language Branch

## INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

THE UNITED STATES OF AMERICA, et al

-V S-

ARAKI, Sadao, et al



## SHOPN LEFOSITION

Dapogent: O awa, 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.

I (OGent, Yataro) was been in June 1883, After graiusting from the Law Correct of the Tokyo Emperial University I entered into business and engaged chiefly in the lines of machinery menufacture and steel and mining industries.

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

All important business activities of the North China Develop-2. ment 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

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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 use-lessness 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.
  - 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 menopoly 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.
- 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.
- 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 tens per year. After the outbreak of the incident, however, every coal mine suffered a temporary setback in its production due to havor wrought by the retreating Chinese troops to the production equipments of the mines, the general social unrest and the distrulance of public order and other incidental factors, and the coal output during 1938 dwindled to about 10,000,000 tens. Due to the effort of the Japanese the coal output in 1940 broke all past

year's production showed a new high of 23,000,000 tons, and thousand, of Chinese were thereby given opportunities for new jobs. Mr.

K.Y., seeing 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 men 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 temperary phenomenon, extreme difficulty in procuring house coal in Feking. 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 Feking-Tientsin area to sell their ware and the hoarding of coal by speculators. Naturally the coal prices in Feking 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. Lith 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

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 Fresident KAYA remarking at a company meeting to the following effect:

- "Le 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."
- 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 donsumation 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

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

Titness: /s/ TANAKA, Yasımichi (seal)

OATH

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

/s/ CGilla, Yataro (seal)

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居一 政 府 ナ定 力節 力 ラツ園 91 闡 カ・争 即葉 チニ 夕資融 コ 本 均 卜的資 モ獨シ 占テ カヲ居 ツ目タ

然九安了日材タ北ツ同北國而諸給牛總山例 シ三、ツ支等コ支タ合支人シ炭源々出アへ 日八治タ菓ヲトニ難礼那トテ坊ニデ炭ツバ 本年安然愛調ハ於北ハ開共其ニナア量タ炭 側一不ル發査ナケ政中發同ノ對ツットの抗 ノハ良ニ生シカル權國合デ地シテタ何當ノ 協私等事以テッ日カ人社經域テ居コ等時如 カノガ愛前之タ本ラノハ管ノハルト關即キ ニ調影ガノヲ。軍事事自シ炭北、ヲ係チモ ヨ査響起石與同占業業ラテ坑支北良ヲ昭北 リニシル炭亜合質ガラ産居ハ那京ク持和支 昭ヨテヤ生院社地北接業タ中開周記タ十那 和レド退産ニハ城支收タモ國發邊憶ナ五開 十パノ却量提關ニ那ス經ノ人合ノシカ、發 五一炭軍へ出係於開ル營モ聞社炭テツ六金 年〇坑が音サ合ケ發仕スァ獨ハ坑居タ年社 度、モ、通せ耐ル含暴ルツ經ー例ル炭頃ガ 一〇一産ーラノ物社ニコタ營厘へ°抗同何 一〇時業五レ生動ニ嘗ト・ノノバ殊ノ白等 九〇出設、テ産計版テラモ融蛇ニ總社闘 `炭備〇イ能虧サー許 ノ投里北出ガ係 〇〇ガョ〇タカョレタサ モ資炭京炭資ョ 年〇減破〇°ト北タツレ ~○少壞、 カ支コチテ ニ中シシ〇 所那トーィ ナ湿タタ〇 要開モシナ日居頭對比ヲカ ツ度昭コ〇 資發ナタカ テニ和ト中 金仓カコツ 過低十ヤガ 、社ットタ 去下三人常 所ガタガ ノシ年心識 要立 °ナ後 レター不デ 資テ カテ

アモ田市量金持

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、テ門ニヲ係ナ

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人力炭ルスツタ

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ガ。方ノ略坑ガ

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個ツ田石ルタ

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初 ガ出ア期 非炭ツ頃 常減多 - ガ時時 影影期的 響響ヲ現 シシ記 象 テタ億ト 北ノシシ 京トテテ 今オ北 中一ル京 石ツ。ニ 於 ~ 4 不中 面

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上フ强北ハ北ニ五然著炭其庭昭ヲ中ヲ〇コ ゲガク支ソ支ナ年シシ業ノ用和施國與〇Ⅰ ヲ北反地レノツー前ク者原炭十シ青へ、ド 要支對元ニ出テー述ナノ因ノ五タ年得〇ヲ 求各シ糯モ炭ハ九ノリ極ハ買年。ノ外〇 シ炭テ要增強供四様市端前入一タのツ タ 坑 イ ヲ シ 加 給 〇 ナ 甲 ノ 述 レ ー メ 又 屯 テ 時トタ物テニ潤年出炭賣ノガ九 日モ。性增伴澤一炭價惜樣非四 生多二加ヒト十増モミナ常〇 原昭テタ日ツニヲ貴買愛図ー 設見シ 立ル サト レ共 配 = 炭其 操 後 作華 モ北 工石 夫 炭 サ販 レ賣 テ會 昭社 和モ 昭 + 六和 年十

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北共 發 亞 ル社反 選 社 四 事年テ 社 全為業度 然メ擴ト亞爭 アニ 張力 院 紫 り聞計或ノ計 マ係商ハ指虧 セ合。若ソ示ヲ 永 。 ン社クレタ承 續搾 ニハニ受認 投增近ケシ 資産キルタ 融計年コリ 資态度ト又 之 德 係 ョ承完ナ 一認成ツ會 社.

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