coking coal from Manchuria, North China and Indo-China during all of the ten-year period from 1931 to 1941, is that correct?

A That is correct.

Q I will give you some rough figures and see whether it tallies with your recollection. Imports from Manchuria, China, and Indo-China, 1926, '27 and annually through 1932, about 2,600,000 British long tons; that is, 2240 pounds to the ton.

A I don't recollect, but those figures are not out of proportion with what they might have imported.

Q 1936 through 1939, 4,000,000 tons annually. Does that tally with your recollection?

A That could be substantially correct.

Q And only coking coal is suitable for the production of gas, is that right?

A It is usually simultaneous operation. You take the coke and get the gas as a residuary.

Q Are you aware of the fact that houses in Japan have been heated, in the main, by charcoal up to this time since time immemorial?

A That is correct, as far as I recall.

Q Well, I want to go back to my original question and ask you whether or not the demand for coal, that is, coal indigenous to Japan, has always exceeded

the supply?

A The demand for coking coal has exceeded the supply because there isn't much here in Japan. But we were talking a moment ago in terms of 2,000,000 tons of coking coal. I would like to point out the expansion plan for the production of coal in Manchuria, which is appended to exhibit 842, provides that the goal to be reached in 1941 for the production of coal in Manchuria alone was over 78,000,000 tons. I only mean to call attention to the fact that in this problem which is so enormous we have to consider proportions.

Q Isn't it a fact that after 1931 the expanding economy in Manchuria consumed within Manchuria substantially all the coal they were able to produce, outside of minor exports to Japan proper?

A Yes, a great proportion of the coal mined in Manchuria was used in Manchuria because that is where a great deal of the heavy industry was being built up.

Q If Japan were shut off from coking coal in China, Indo-China and Manchuria, where else in the world could they go to get a sufficient supply of it?

A Well, we have coking coal in the United States; England has it; they have it in the Ruhr Valley; many

places in the world have coking coal. But Japan doesn't have enough of the coking coal to supply her normal needs, particularly her expanded heavy industrial needs.

Q Well, my point is, with the exception of the coal in the Ruhr, the only other coking coal in the world was in the hands of the Allied Governments during the Pacific War, isn't that right? I am talking about operating mines, now. The Allies owned it all except what was in the Ruhr Valley, is that right?

A I am afraid I don't understand the question. But Japan got her coal, and got her coal during the war, from those territories which were occupied by her and adjacent to those territories occupied by her. She didn't get any, certainly, from the United States or Great Britain.

Q No leading power in the world can fight a modern war without an adequate supply of coking coal, is that right?

A Well, they all have it for the iron and steel industries. I don't know whether it is possible to manufacture enough steel from the electric processes or not. But I think we can classify coal as a critical war material.

LIEBERT CROSS

Q I want to go over briefly to the electric industry and ask you if by the year 1935 ninety-one per cent of all residential and industrial buildings in Japan proper were lighted by electricity?

A I think that figure is reasonable.

Q If you refer now to your chart on page 7-A of exhibit 840, it shows in the bottom box a fairly steady consumption of electricity for electric light and household appliances from 1935 through 1941. My question is, what is the point of your statement last week in which you, as I understood, said that the rearmament was carried on at the expense of household electricity and the ordinary people in Japan? Would you explain that?

A We would normally expect that when a government or a country spends millions -- hundreds of millions -- of yen or dollars or any monetary unit for the expansion of electric power which has such a wide distribution in the homes, for the conveniences and use of the people, that they would get some additional benefits from this expenditure.

THE PRESIDENT: Did the population increase over that period of six years?

THE WITNESS: Not sufficient, Mr. President, to make any difference in the point. I wish to illustrate.

THE PRESIDENT: With the increase in population and the increase in the number of homes you would expect an increase in the electricity.

THE WITNESS: One might also expect that with the increase of electricity available in the country that there would be more household appliances and a greater consumption of electricity by the people.

THE PRESIDENT: Was there an increase of population over those years?

THE WITNESS: I have here the --

THE PRESIDENT: You may look at it during the recess.

BY MR. SMITH (Continued):

Q Are you familiar, Mr. Liebert, with the fact that during the past, that is, for twenty years before 1941, that there was most of the time a surplus of electric power in Japan?

A I don't know what you mean by a surplus of electricity in Japan, Mr. Attorney.

Q Well, ever since at least 1900 the electric power industry in Japan has been based on water power, is that right -- that is, generated from water power?

A There are normally about six months out of the year when the water flow is insufficient to carry

on the electrical power industry and that is made up by thermal electrical units here which use mostly coal in their operation.

Q I want to go on to another subject. Japan has no cotton, is that right?

A That is correct.

Q At the same time it built up a large textile industry for the weaving of cotton goods, is that correct?

A That is correct.

Q Japan has only negligible quantities of wool?

A That is correct.

Q Japan has practically no salt which is indispensable for her as a foodstuff and also for the chemical industry, particularly the making of paper; is that right?

A Japan imports most of her salt because it is cheaper to do so. There are no natural salt deposits in Japan of any consequence.

Q Japan has only negligible quantities of wood pulp?

A No, but she preferred to import wood pulp.

Q Well, on the subject of wood pulp, what Japan had came from northern Sakhalin Island, is that

right?

A It was thought better to import wood pulp and Japan was a substantial importer of wood pulp before the war. Some of it came from Sakhalin and some from other parts, a lot from Korea.

Q Prior to 1941 Japan had built up a substantial industry in rubber goods, the imports of which came mainly from the Netherlands East Indies and the Strait Settlements; is that correct?

A That is correct.

Q The iron ore found in Japan proper, also in Korea, is of an extremely low grade; is that right?

A That is correct.

Q And substantially all the iron ore was imported. Do you recall what countries it came from before 1941?

A Part of it came from China and French Indo-China.

Q Do you agree that iron and steel scrap is indispensable to steel manufacture under present conditions?

A From an industrial point of view, that is true.

Q From 1931 through 1940, at which time I believe the United States embargoed the shipment of

scrap to Japan, Japan was a heavy importer of iron and steel scrap from the United States and India; is that correct?

A That is correct.

Q In your statement you said the potential of Japan and the production of petroleum was about ten percent of her normal requirements. What year were you taking as a normal year in making that calculation?

A That was an average estimate, a rough estimate I will say, of the years preceding 1934.

THE PRESIDENT: We will recess for fifteen minutes.

(Whereupon, at 1445, a recess was taken until 1500, after which the proceedings were resumed as follows:)

Goldberg & Spratt

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

THE PRESIDENT: Mr. Smith.

BY MR. SMITH (continued):

Q Have you finished your answer, Mr. Liebert? Had you finished your answer? Well, never mind. We will go on to something else here.

During the nine years from 1931 through the oil embargo for 1940, ninety per cent of all Japan's petroleum requirements were obtained from the United States and the Dutch East Indies, is that correct?

A That is substantially correct.

Q Do you agree that a modern war of either defense or offense cannot be fought without petroleum?

A I believe that is generally conceded by the militarists.

Q Despite intensive cultivation in Japan proper and its territories and the intensive use of fertilizers, Japan has never been self-sufficient in foodstuffs, is that correct? I am referring now to the ten-year period 1931-1941.

A Owing to deficiencies Japan proper imported foodstuffs.

Q That was roughly about twenty per cent annually, would that be a fair average?

A That might be a little high. I would say fifteen.

Q Are you familiar with the fact that nearly all the house construction in Japan, that is the principal building material is lumber?

A That is so.

Q And during the ten-year period before 1941 Japan was a substantial importer of timber, is that correct?

A Yes, Japan imported lumber.

Q Well, they imported lumber in substantial quantities principally from Canada, is that correct?

A She imported from outside the Empire, so-called Empire, from Canada and the United States, yes; and she imported some from Manchuria, some heavy timbers from Saghalin.

Q In March 1933 the Japanese Diet passed a Foreign Exchange Control Law. Are you familiar with the fact that between 1927 and 1935 thirty-three governments in the world, because of the depression and dislocation of international trade and the necessity of marshaling and controlling foreign exchange, found it necessary to pass foreign exchange control laws?

A I recall that during that period some nations passed laws which were generally classified as foreign

exchange control.

Q Do you recall that the largest part of the world was locked up in exchange controls between 1927 and 1935? I am not talking about a few nations, but many of them.

A I think that can generally be said to be so.

Q Well, how then do you associate a natural phenonenon with the preparation for war of aggression?

A Well, I think this all comes down to the general proposition which we have discussed all through the memorandum. It must be understood that Japan had an economy, that it had to support that economy in relation to the existing economies of the other nations of the world; and that certain of the acts which the Japanese Government did closely paralleled the acts of other nations. But it is in the abnormality of the application of certain laws and the abnormality of the laws themselves which I think, when coupled with events and plans for war, must show these acts in a different light than the acts of other nations.

Q What was abnormal about the Japanese Diet passing a foreign exchange control law in the circumstances and conditions of 1933?

A In 1933, when we considered a foreign exchange control law in itself and disassociated from

other acts and other laws, there is nothing wrong with it; but, as I have said, the powers given were not completely invoked until January 8 in 1937. At that time we began to see a restriction of foreign exchange into certain channels, and those channels were funnels of foreign exchange into the purchase of commodities which were for the purpose of preparing heavy industry or those industries we have called war industries. We see severe restrictions on the use of foreign exchange for those commodities which we would normally consider economies good for the nation as a whole and the people, a normal use of foreign exchange. The licensed purchases which were allowed under these foreign exchange measures beuilt up artificial industries which were, in my opinion, not indigenous of Japan, nor would they naturally result in profit to Japan. For instance, under Class A of the materials to be restricted from import, we have the leading peace-time materials, some of which you have cited, such as cotton, wool, wood pulp, wood for houses, rubber. These imports were severely curtailed from the normal levels. It was because of these facts that I felt there must be something wrong in the control policy of foreign exchange control, policy which led to an investigation which resulted in the production of this

plan for building up a war industry.

Q You said the Foreign Exchange Control Law was not fully utilized until 1937, as I understood you. Is it possible you have that law confused with a separate law which was passed by the Japanese Diet on September 10, 1937, Law No. 92 providing for export and import, temporary management law, which became necessary after large-scale fighting broke out in China?

A No, I haven't confused the two laws. The Foreign Exchange Control Law provided for the control of foreign exchange as such, and the temporary control of imports and exports law was set up to create an import licensing system. There was thus a sort of two-headed control over imports: one, the licensing of the money to be purchased, for an exchange to be purchased; and another was a direct licensing of commodities which might be brought in after the exchange had been purchased.

Q Law No. 92 of September 10, 1937 was a temporary wartime expedient. Is that right?

A It was indicated that it was such when the law was passed, but it became very permanent and, to the best of my knowledge, is still in existence.

Q At the time Law No. 92 of September 10, 1937

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Q At the time Law No. 92 of September 10, 1937

was passed, it contained a provision that the powers granted should cease within one year after the termination of the China Incident, is that correct?

A It contained that provision.

Q Now the Foreign Exchange Control Law of 1933 was a peacetime expedient, is that correct?

A I would say that it could be considered as such by itself, but in these laws we must consider the application of them later on where their existence made it most convenient later on to apply these laws for a different purpose.

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Greenberg & Eder

Q In exhibit 840, your statement, you point out that when Japan built her refineries, especially cracking plants, she located them in out of the way points, and you say that was significant. Would you tell us where those points are that the main refineries were built?

A Those refineries were built along the west coast of Japan, so they would be available to the imports of crude from the East Indies. I recall reading, I can not at the moment recall the exact place, that these plants were dispersed by the orders of the Army and the Navy. However, I have a chart in my office showing the location from an air plot, of these various refineries. I can't name the cities at the moment. I am sorry.

Q Well, all of the imports of crude from the East Indies came into ports on the west side of Japan proper. Is that correct? I mean in the normal course of business.

A That is the information I have, as my recollection serves me.

Q And these refineries were built right near the ports of unloading. Is that right?

A They were built generally on the west coast.

Q What is the point of your statement that

it was significant that they were located in out of the way points? I don't quite understand what is out of the way about that, when they were built near the port of unloading.

A It is my intention in using that choice of words -- merely that those plants were built at the direction, as I was given to understand, of the Army and the Navy, and were so located that they would be protected as much as possible from observation and from possible attack.

Q And you make that last statement although Japan proper at its widest point is only 250 miles wide.

THE PRESIDENT: "Out of the way" is a relative term, of course, always.

Q (Continuing): Bearing on your statement that you and others took 1931 as your normal average year in Japan, I would like to read a statement to you and have you answer whether it is correct, or substantially correct. "The year 1929 was a turning point in Japan foreign trade, which entered a period of severe depression affecting both exports and imports. The removal of the gold embargo led to an over-valued condition of Japanese currency, which the government endeavored to overcome by a policy of consistent

deflation. The result of foreign trade in 1931 showed a decrease of about 47 percent in exports and of over 44 percent in imports compared with 1929, the total value of exports and imports declining by nearly 2 million yen in comparison with 1929. The main cause of the sharp decline in the trade of 1931 was the extraordinary recession in prices, which averaged about 45 percent compared with the year 1929, whilst the volume was only about 3 percent less and, indeed, showed an increase over the figure of 1930." Is that statement substantially correct?

A I think we can say that statement is substantially correct.

Q Well, do you still adhere to your answer that 1931 should legitimately be considered as a normal year for your figures?

THE PRESIDENT: Based on production or prices, which? It makes all the difference.

Q I meant to say both, Your Honor, both on production and prices. You can answer that question in two parts: first, production, and secondly, prices.

A Well, for an answer to that question, you can't dissociate them, for you have to consider them both together.

THE PRESIDENT: You have been talking about productivity, and, according to the statement read to you by counsel, there has been very small reduction, if any, in that.

MR. SMITH: Well, Your Honor, what I read is only one part of what I intended to read to him. It was such a lengthy quotation I stopped there. But there is more to this picture. I would like to get him to answer on what I have already said.

THE WITNESS: As I have said before, I have selected the year 1931 for several reasons. It is an arbitrary date, number 1; number 2, it follows a period of reorganization, let us say, Japan going completely off the gold standard to effect reorganizations in her internal economy. It is a year that allows Japan to make certain adjustments in her foreign trade relations because of that going off the gold standard; at the same time, I think it begins a pickup after the world-wide depression, which is indicative of many things, particularly a good place to begin a survey. And I think we must also consider again that the word "normal," or what we consider normal, is a relative term, to be used by many people in different senses when we consider a problem of this scope.

Another reason why I have called it a normal year is because I do not feel that there is, so far as I can see, any evidence that Japan began an industrial preparation for war in a general sense before 1936. I think it was important that we give a survey of what happened for the few years preceding that date, so the Tribunal could make up its own mind on these matters. I think we can say that in 1931, at least by the end of 1931, beginning of 1932, the depression was over in Japan.

LIEBERT CROSS

Q I wanted to ask you if it is not a fact that Japan did not begin to pull out of its economic depression until late in 1932.

A Well, again, that is relative, Mr. Attorney. It will differ a great deal among writers or among what you or I see as evidence.

Q Well, it makes a radical difference when you talk about reduction figures in prices, I mean a lapse of a whole year, doesn't it, and during conditions such as existed during the depression?

A Well, as I have shown you this morning, the retail prices remained relatively constant from 1931 on up to about 1935. This is indicative of a certain normalcy or a certain balance, on the charts which I have shown you, or production charts, et cetera. I think you can begin any place from 1931 up to '41 and see those advances in productivity. Some in the early years, if you wish to consider it so, may be considered normal increases for an expanding economy coming out of a depression. But, in the light of the admittedly national defense legislation and the plans dating back to 1937, we must reconsider the end of productive activity, and we see a new element, the element of stimulation of certain classes of industries at the expense of the others, namely, the

advance of the war and war-supporting industries at the expense of the peace industries. We have to consider all of these elements in making any kind of a statement of this sort.

Q I'd like to get back to whether 1931 was a normal year and read to you further and ask you whether it is a correct statement. Referring to the decrease in exports and imports, I am reading now: "Industry was severely affected by this shrinkage, and conditions were aggravated by the decline in domestic purchasing power on account of the depressed state of Japanese agriculture." Is that correct?

A So far as it goes, I think those statements by themselves can be taken as reasonably correct.

Q Throughout your report, exhibit 840, you called attention to the dearth in Japan of strategic and critical materials which were needed for the fighting of a modern war, and the effort of Japan to become self sufficient in those strategic and critical materials -- all of them would have been necessary if Japan had been engaged in a war of self-defense, is that right?

A The same materials are materials -- war materials whether it is a war for self-defense or a

war of offense. That's true.

Q Well, if the same preparation would have been necessary irrespective of whether it was a war of defense or offense, why, throughout your report, do you describe these preparations as acts of aggression tying into a war machine and a totalitarian scheme?

A I think I referred to them as war preparations and war potential and war industries. I don't think I ever stated that this preparation was in preparation for aggressive warfare. Those are conclusions for other people.

Q When you began your work on this report about six months ago, you were told that you were to prepare -- in substance, you were told that you were to prepare an economic report showing Japan's aggressive designs, is that right?

A No, that's not exactly correct. I was asked to prepare a statement concerning the economic and industrial and financial preparation for war an the basis of facts as I found them, and I was to put them in the statement which you have here.

Q Are we to understand that you entered upon this work with the idea of making an impartial representation of all the facts which had a bearing on

the position of Japan in its preparation?

A I was asked to prepare the statement. And if I found, on the basis of the facts as I saw them, that these indicated --

MR. SMITH: I think, your Honor, with one more question I can terminate this examination. I understand I am the last counsel.

A (Continuing) If these facts indicated preparation for war, I was to include them in the statement, which I have done. I came to the conclusion that there was a preparation for war, and that has tempered my statement here. I think it is inescapable.

THE PRESIDENT: Was there any substantial increase in Japan's population during the five years before 1941?

THE WITNESS: The last figure, Mr. President, that is disclosed in the Japan Year Book of 1942 was the year 1938. I have totaled the figures by myself from the years 1932 to 1938 which show an increase in population of approximately six and one-quarter million.

MR. SMITH: Your Honor, that is all I have to ask. But, since I spoke, I understand from Mr. Logan that maybe one additional counsel will

cross-examine tomorrow morning.

THE PRESIDENT: We will adjourn now until half past nine tomorrow morning.

(Whereupon, at 1603, an adjournment was taken until Tuesday, 29 October 1946, at 0930.)

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Of
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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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Of
EXHIBITS
(cont'd)

Doc. No.	Pros. No.	Def. No.	Description	For Ident.	In Evidence
2605-A	863-A		Excerpt therefrom		8790
1756-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
1795-B	868-A		Excerpt therefrom		8816
2548	869		Affidavit of HORIBA, Kazuwo		8821

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.

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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.)

Duda & Barton

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

THE PRESILENT: 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.

JOHN GRANVILLE LIEBERT, 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 & Yelden

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 stock-piles 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.

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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.