

Certificate (a)

The Undersigned, who is chief of the Archives and Documents Section, the First Demobilization Bureau of the Demobilization Office, certifies that the Bureau does not have in custody the original of the following two documents, these having been burnt at the time of the termination of the War.

1. "Hypothetical Appreciation of the Empire's Material Strength" Prepared by the Mobilization Plans Bureau, the War Ministry, Examined in January, 1941, Revised in March of the same year, and Re-Examined in April of the same year.

2. "Hypothetical Appreciation of the Empire's Material Strength on the Basis of the Present Conditions," Prepared by the War Preparations Section of the Mobilization Plans Bureau, the War Ministry, in March, 1941.

On July 11, 1947

At Tokyo

(Signed) MIYAMA, Yozo (seal)

Chief of the Archives and Documents
Section, the First Demobilization Bureau

I hereby certify that the above document was signed and sealed in the presence of this Witness. The undersigned, as a member of the Demobilization Section, the First Demobilization Bureau of the War Relocation Authority, Office, stated on the same date. At the same place, original copies of the two documents were filed in the files of the War Relocation Authority.

Witness: (signed) Kiyochi, Ichiro (seal)

Material Strength Prepared by the Mobilization Plans Bureau, the War Ministry, Examined in January, 1941, Revised in March of the same year, and Re-Examined in April of the same year.

2. "Hypothetical" I Appraisal of the Empire's Material Strength on the Basis of the Present Conditions Prepared by the War Preparation Section of the Mobilization Plans Bureau, the War Ministry, in March, 1941.

On July 11, 1947
At Tokyo

(Signed) YAMA, Yozo (seal)

Chief of the Archives and Documents Section, the First Demobilization Bureau

Certificate (b)

The undersigned, who is chief of the Archives and Documents Section, the First Demobilization Bureau of the Demobilization Office, certifies that the Bureau does not have in custody the original of the following document, its burnt at the time of the termination of the War.

"Combined decisions reached regarding appreciation of the Empire's Material Strength on the Basis of Two Hypotheses - Possible War and Status Quo," prepared by the Mobilization Plans Bureau, the War Ministry, in April, 1941.

On July 11, 1947

At Tokyo

(signed) MIYAMA, Yozo (seal)

Chief of the Archives and Documents Section, the First Demobilization Section.

I hereby certify that the above document was signed and sealed in the presence of this Witness.

On the same date

At the same place

Witness: (signed) KIYOSE, Ichiro (seal)

Certificate (c)

The Undersigned, who is chief of the Archives and Documents Section, the First Demobilization Bureau of the Demobilization Office, certifies that the Bureau does not have in custody the document entitled "Diagrams on a Hypothesis of War on the Basis of Various Investigations" prepared by the War Ministry around October, 1941, which was burnt at the time of the termination of the War.

On July 11, 1947

At Tokyo

(signed) MIYAMA, Yozo (seal)

Chief of the Archives and Documents Section,
the First Demobilization Bureau.

I hereby certify that the above document was signed and sealed in the presence of this Witness.

On the same date

At the same place

Witness: (signed) KIYOSE, Ichiro (seal)

ERRATA SHEET

Page 3, lines 16 and 17, delete "and the problem of the Axis Powers between Japan, Germany and Italy."

Page 3, line 21, add "Takeuchi" after "director general."

Page 4, first line, insert "thereafter" next to "study"

Page 4, lines 4 and 5, delete "which was proposed to the Planning Board and subsequently accepted as preventive measure" and put instead "and arrived at a certain plan."



Page

DIRECT EXAMINATION of OKADA, Kikusaburo,
by Mr. Okamoto.

- 18271 * The witness stated that in 1918 he was commissioned in the Army, and in 1943 was appointed Major General. In 1945 he became a member of the Military Affairs Bureau, and remained there until the end of the war. From 1935 on he was mostly in the War Preparations Section of the Mobilization Bureau of the War Ministry, and was connected with the formulation of plans for national and military mobilization.
- 18272 * The witness stated that Exhibit 841, the outline of the Five-Year Plan for production of war materials, War Office, June 23, 1941 (1937) was drawn by himself. * Each plan had a definite purpose and it meant the increase of Japan's national power. Exhibit 841 is entirely concerned with military plans. Exhibit 842, the essentials of the Five-Year Program of important industry, May 29, 1937, the resume of policy relating to execution of summary of Five-Year Program of important industries, June 10, 1937, and Outline of the Plan for the Expansion of Production Power by the Planning Board, has many military aspects in it, but it is a plan for establishing a peacetime economy. Japan was in a position, however, that she had to take measures to cope with the expansion of Russia's military power.
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- 18274 * The Soviet's development of its industries could be called startling only after the second Five-Year plan. In 1929 its steel production had attained a pre-war level, but after the two Five-Year Plans it was three and a half times in excess of pre-war days. In 1933 the USSR ranked third in steel production in the world and second in Europe. The next year it had advanced to second in the world and first in Europe. By 1937 its steel production had reached 17,700,000 tons. Japan further believed that the Soviet was about to begin a third five year plan, and they were forced to conclude that Japan should try to reach half of the Soviet's planned production by the completion of her third five year plan.

Page

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* The Army's first demand was that before the year 1941 the production of steel in Japan and Manchuria should total ten million tons. However, enforcement was delayed because of slowness by the government, and the amount produced was a little lower than expected amount including 995 million tons in Japan and 62 million tons in Manchuria, or a total of 157 million tons. It was a plan for establishing a peace time economy in which a great deal of the military element was included.

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Japan had no idea of waging a war. * Since many of Japan's important industries depended on raw materials imported from abroad, Japan's economic basis was shaky and independence unreal. She was at a disadvantage in international trade. Prior to this Japan had been able to maintain a precarious trade balance through the textile industry and a few light industries. It was believed that Japan should develop her heavy industries to be qualified as a modern state for the future welfare of her people.

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Japan believed that the Soviet would start on the third five year plan, and Japan started its plan so that it would end with Soviet's third five year plan, but there was no special Japanese meaning behind the year * on which Japan's five year plan was scheduled to end. Any plan for industrial development must come from a cycle of years, and it was intended that when the first plan was finished they would embark upon a second five year plan, so no importance was placed on the end of 1941 when the first five year plan was scheduled to end.

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* The outbreak of the China Incident was not in their minds when they drew these plans. With respect to Exhibit 841, this plan was not used because of the sudden outbreak of the China Incident and it died a natural death. The plans in exhibit

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842 * were put completely awry because of the Incident, and the carrying out of the plan was not possible in 1937 and actual execution began only in 1938. The plan became a four year one. This can be seen here from the heading of part 3 of exhibit 842 in which the date of the plan was decided by the Cabinet, and from the yearly estimates for production of each kind of material.

Page

Exhibit 841 was not actually used because the outbreak of the Incident necessitated much bigger plans for increasing production, especially in munitions. In order to give the military as much as possible for military consumption, the plans in 842 had to be curtailed and changed so that the actual execution was quite different from the plan.

18280 Both exhibits planned only a very limited economic control. However, the outbreak of the China Incident * made necessary the mobilization of industry and a large-scale economic mobilization, and finally a total mobilization of national strength. The plans were only possible of execution and of being carried out on the assumption that a great incident or war would not occur during the period of the plan. There were no plans other than these for waging of war against China.

18281 * He is positive that exhibit 841 was abandoned before its realization. No orders were given for execution of plans as embodied in exhibit 841. The plans were official, however. They received the approval of the War Minister on June 23, 1937. However, the approval for carrying them out was not given. Before they could be carried out many problems had to be taken care of. If the plans were to be sent to the various departments of the army without first taking care of these various problems, it would be meaningless.

18282 * There were parts which concerned ministries other than the War Ministry. The plans which had to be carried out with other ministries were embodied in exhibit 842, and the remaining portions in 841 were to be carried out after discussion with the various ministries. The plan of exhibit 841 was set up without any previous consultation with other ministries. It was merely an indication of the direction in which they planned to go, and to carry it out they had to take up the various details and consultations with other ministries. The Finance Ministers had no connection with these plans.

18283 * If one would examine the top of the document he would see the words "military secret". If it was to be circulated among the various departments in the army, under regulations for secret documents the documents would have been given a classification number.

(March 12, 1947)

(DEFENSE - Division I, General - OKADA-Direct)

Page

18284 If the matter had been carried out according to plan, it would have gone on in the direction mentioned, but on July 7, the China Incident broke out and it was impossible to carry out in detail and put into effect the matters pertaining to the plan in two weeks. * The army was faced with giving a much more detailed and specific order which would adequately cover the needs of the situation instead of a rough and small-scale plan.

To meet the needs of the China Incident, it was necessary to have a large supply of goods to fill up the attrition caused by war. Exhibit 841 is a peace-time plan and was concerned with the guiding of the munitions industry in the framework of the small peace-time budget. Such a plan could not keep up with the heavy losses which the Incident entailed. The plan was based on the amount of the budget which the army expected to be able to secure during the years 1937 to 1943. They hoped to get in seven years three billion yen.

18285 * After the Incident broke out there was an expenditure of three billion yen authorized, and in September 1937 a special budget of fourteen billion yen was authorized for the army. In 1938 and succeeding years, the Army budget increased by several tens of billions. The plan of exhibit 841 was insufficient to meet the requirements of the China Incident. The plan itself says that from the standpoint of controlling the pace of its execution, Japan shall depend first on the basis of the sixth war budget.

Furthermore, the plan says that it was to cope with the present situation and establish the foundation of national defense powers accompanying the perfection of armaments.

In 1936 the Army believed that to cope with the Soviet it had to replenish military preparations between 1937 and 1942. This was called the six year plan for military replenishment. The budget which the War Ministry originally planned was cut, and the length of years was increased by one so that it became a seven year plan, with a total budget of 30 billion yen, to which the Finance Ministry consented.

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This was on the understanding that in the case of actual spending, discussions would be conducted on the basis of the actual situation after the whole thing had been presented for approval to the Diet.

March 13, 1947

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* With respect to the three billion yen budget, it was to be used for seven years, but it was not officially approved by the Ministry of Finance or the Diet. The Army, however, took it for granted for the purpose of formulating a plan. Exhibit 841 is one of these plans, and was formulated on the basis that it would be approved on the basis of the fixed budget. In the year 1937 there is no other budget considered to be fixed but the sixth budget. It would be impossible to say that the long range budget for 1937 to 1943 was fixed.

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* In 1943 the total annual army aircraft production rose to 1505. Army aircraft production jumped in June 1944 to a monthly production of 1505. The figures quoted from exhibit 841 is quite apart from the actual production of war-time production.

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The witness stated that the reason why the figures of annual budgets * seemed to decrease toward the end of the final year was that it was planned in accordance with the arms replenishment plan.

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* The witness stated that whereas counter measures against depression had been taken in Manchuria, they were not taken in Japan since there was a general expansion in manufacturing. In the event of a depression because of decrease of munitions or war materials the general industries in Japan could absorb the excess power. * In

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Manchuria there were no government-owned arsenals. In Japan there were a number of them, so that in the event production decreased this would not necessarily lead to any reduction in civilian demand since the reduction could be made in the government-owned factories and arsenals and protection given to civilian production enterprises. With the decrease in the use of munitions goods it was anticipated that there would be a depression in this industry around 1941 and 1942, and it was in the light of this that counter measures were considered with respect to Manchuria.

Page

18300 When asked with regard to the plan of exhibit 841, aside from the military budget, was there any state protection of civilian production and industries, the witness stated yes. * This was planned with reference to the aircraft industry. The army and navy aircraft production was 3,000, but the plans called for plant installations with a capacity to produce 10,000 through further protective government measures. This shows that the plant capacity was to be 10,000 per year, but actual production was to be limited to 3,000 per year, and the unused capacity was to be given government protection. This was not carried into effect.

18301 * The aircraft production was based on apprehension and fear of Soviet expansion, and it was the desire that even though the budget was small Japan should devote her utmost to promoting the aircraft industry, and in the event of an emergency all efforts could be concentrated on the single point of increasing Japan's air power. In order to show that the aircraft industry was projected against Russia, the witness stated * in the first year the total plane production goal was 12,866. It was decided the division between the army and navy * would be made in accordance with the army and navy mobilization agreement, and the division would be made at the ratio of 62 to 38.

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* The army was the principal force to be used in the event of emergency, and got the greater share of airplane production.

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Part Two of exhibit 842 was a plan drafted by the War Ministry and presented to the Cabinet. Its preparation was completed on May 29, and it was tendered to the Diet afterwards. The second part was of materials for reference purposes pointing out items which ought to be realized in connection with Part One, * and the War Ministry did not necessarily agree with some of the items in it. It was designated as a tentative or draft plan and was not officially submitted to the Cabinet. Part Three is the plan drawn up by the Cabinet in accordance with the Army plan, and was approved by the Cabinet on January 17, 1939. This was a Cabinet decision a year and a half later, and is as a result of the China Incident.

(March 13, 1947)

(DEFENSE - Division I, General - OKADA-Direct)

Page

Although the Army called for a five year plan, the Cabinet changed it to a four year one. In addition to these divisions, there was another plan prepared by the General Staff.

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* YOSHINO was not minister of commerce and industry when the Cabinet approved the plan of expansion of production. Exhibit 841 was proposed to the Cabinet, but YOSHINO was not minister of commerce and industry at that time.

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The part labeled Resume of Policy in exhibit 842 was not at any time given to any governmental department, but it was shown for reference purposes to the competent departments in charge. However, * he did not believe that the ministers themselves saw the plan.

With respect to the General Staff plan, at first the War Minister disapproved it, stating that it was impossible of execution. The witness was the only person who fervently advocated the necessity of realizing the industrial expansion plan. This was around April, 1937, two months before the China Incident.

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The attitude of the War Ministry to the General Staff plan was different, depending on the time, but when the General Staff made the plan for its proposal the whole ministry except the witness showed no interest. Later, when the personnel began to realize that this was an important measure, the higher officials, including UMEZU, became positively interested in it. With respect to 841 and 842, there is a difference in UMEZU's attitude. As to 841 being purely military, he did not show any particular interest. Before the outbreak of the China Incident, War Ministry officials did not have deep interest in the question of how to guide or lead the munitions industries.

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* However, as to 842, since it was political it drew the attention of the officials in the War Ministry, so that they became active supporters. The General Staff drew a plan, and it was most apprehensive with respect to the national power and military strength of the Soviet Union, and because modern national defense rested on a strong industrial foundation.

Page

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At that time the Chief of the Second Section of the General Staff was Colonel ISHIHARA, who later became Director of the First Division of the General Staff and promoted to the rank of Major General. He was the * first propelling force of the industrial plan, and the witness knew his intentions, both directly and indirectly. While ISHIHARA's idea while hoping for the construction of Japan's peace-time economy was evident, he was apprehensive with regard to the pressure and menace of the Soviet Union and the need for securing Japan's national defense. He was also much interested in preserving Manchukuo. He hoped to replenish Japan's national defense as against the Soviet so that it would be secure without fighting.

As to China, it was his hope and desire to promote intimate and friendly relations on the basis of the good neighbor principle, and after the Marco Polo Bridge Incident he advised repeatedly that they exercise patience and restraint with respect to that affair.

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* After the Army submitted its plan, the Cabinet gave close scrutiny and study to it, but the China Incident suddenly broke out. It was unavoidably necessary for the cabinet to give due consideration to the matter of adjusting imports in the light of Japan's special position in trade. The necessary items were those for increase in mobilizing Japan's war materials. They had to effect a mobilization of war materials because of the increase of personnel. The demand for material was made around October, 1937, and it was no longer sufficient to adjust merely imports. The whole supply of materials needed to be adjusted. This was then called the Material Supply Plan, and this later developed into the Materials Mobilization plan. * Various other complicated and extensive plans were called for. Because of this, the study of the army's five year plan did not progress. Despite the army's request that the industrial expansion plan be started from 1937, nothing was done in that year, and the four year plan went into effect in 1938, but in the beginning nothing was done toward organizing it. The plan therefore, with respect to the year 1938, was started only as an annual plan limited only to that year.

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18319 The whole plan was not organized as a coordinated one until the end of the fourth year, January 17, 1939, by a cabinet decision. The fact that a five year plan was reduced to four and was not organized until the end of the period indicates how disorganized the plans were. * This organization was brought out by the fact that the completion of part 1 is indicated in the exhibit under date of May 29, 1937, and part 3 was decided by the Cabinet in January 1939, and the annual schedule only begins in 1938.

18320 Part One of 842 concerned Japan and Manchuria together, but Part 3 concerns only Japan. When the War Ministry made a request to the government it also made a request to the government and consult with the Kwantung Army to contact about the realization of the plan. The Manchukuo Government gave this proposal immediate study and formulated the Manchukuo * five year industrial plan, inaugurated in 1937. The plan included the obtaining of natural resources and raw materials from North China, but the development of that area was not included in it.

When asked why the scope of 842 was reduced, the witness stated that prior to the China Incident the Army requirements of ordinary steel was 20,000 tons a year, but with the outbreak of the Incident its requirements for the latter half of 1937 jumped to over 200,000 tons, and to over 600,000 tons in 1938. The peak of requirement reached the figure of 980,000 tons.

13821 * The Navy demands for steel increased, and civilian industries needed it for the construction of a large number of factories in accordance with the demands of the army and navy. Since such a situation was not anticipated at first, the belief was that no more than 20,000 tons was necessary for military replenishment. Because of the use of such large amounts of iron and steel, it was inevitable that a sufficient quantity of iron and steel could not be channeled for the industrial plans in general.

(March 13, 1947)

(DEFENSE - Division I, General - OKADA-Direct)

Page

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* The goal of the plan was nearly approached or surpassed only in connection with special industries, light metal industries, machine tool industry, and the automotive industry. * In connection with other industries, there was a great sacrifice. The synthetic oil industry met the greatest handicap. The electric power industry and the building of train coaches also suffered unavoidable handicaps, as well as the chemical industry. Only the machine industries bearing some relation to direct war industries such as arms manufacture and airplanes managed to expand or grow. The original intention of overcoming the greatest handicap, the lack of raw materials, was in vain.

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The witness stated he could say that the plan was not in preparation for the Pacific War, * since the goal in the production of synthetic oil was expressed in figures. Another point is with respect to the speedy and epical efforts to bring about a self-supply in raw materials without having to depend upon imports.

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In order to prosecute the China Affair as of 1941, the consumption of petroleum would be as follows: aviation gasoline and ordinary gasoline, 230,000 kiloliters, and 1,050,000 kiloliters of heavy oil. Under the plan, the goal for gasoline in the last fiscal year of this plan was for Japan, 290,000 kiloliters; Manchuria, 330,000 kiloliters; crude oil in Japan, 850,000 kiloliters, Manchuria 280,000 kiloliters.

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What he meant by the statement "try not to depend as much as possible on outside supplies" was that even in wartime the necessary imports of war materials would be continued. Japan relied for its supply of these materials on the Anglo-American bloc, and would have to rely on her supply from this bloc.

(March 13, 1947)

(DEFENSE - Division I, General - OKADA, Cross)

Page

CROSS-EXAMINATION of OKADA
by Brigadier Quilliam

- 18,325 The witness repeated that Exhibit 841 was not shown
18,326 to other ministries. When questioned about Exhibit 2227, a *
summary or extract from the Five-Year Plan, Exhibit 841, the
18,327 witness said that that summary was with reference to 842. He
did not agree * that Exhibit 2227 was a summary of Exhibit 841.
- 18,328 With reference to the memorandum signed by AKIYAMA
and addressed to HIROTA, the witness said he did not know AKIYAMA.
The witness pointed out that the subject matter in this outline
of the Army's Five-Year Plan showed that it was an expansion
plan for raw materials with respect to automobiles, machine
tools, steel, petroleum, synthetic oil, pig iron, alcohol, etc,
while Exhibit 841 related to aircraft, automobiles, tanks and
arms. The items mentioned in Exhibit 2227 are mentioned in
18,329 Exhibit 842. Exhibit 841 related to purely military items, *
while 842 relates to defense materials in general and prin-
cipally to raw materials and fuel.
- 18,330 With respect to Exhibit 841 the witness stated that
he noticed the wording that the goal was to be five years hence
and that 1942 and thereafter required wartime capacity. This
did not * indicate that there would be a war by 1941. It
merely meant that army aircraft production for the 140 plane
squadrons would be completed, since it would be meaningless
if the companies were organized without supplying them with
airplanes.
- 18,331 With respect to paragraph 5-C stating that in the
event hostilities broke out during that year special measures
for rapid replenishment of equipment would be devised, the
18,333 witness stated that this had reference to 1942. * When asked
whether he still persisted in saying that the year 1941 had no
significance, the witness said it was merely an estimate as
to whether or not, if hostilities opened between Japan and the
USSR in 1941, Japan could supply sufficient aircraft to 140
air companies.

Page

REDIRECT EXAMINATION OF OKADA
by Mr. Okamoto

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The witness stated that he wrote the words "first year of hostilities" as they appeared in the document himself, and was merely an estimate * of whether the supply could be replenished when the organization of aircraft squadrons were completed. Plans were formulated to extend to the year 1943 and a renewal was expected. The witness pointed out * that prior plans had been formulated, one showing 1935 as the first wartime year, and there had been a national mobilization plan many years before showing 1933 as the first wartime year, and 1934 as the second.

~~DIRECT EXAMINATION OF ONO, Takeshi
by Mr. Shiobara~~

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~~The witness stated that he had graduated from the Law College of Tokyo Imperial in May 1915 and entered that year into the Ministry of Communications. In July 1935 he became Director of the Mercantile Marine Bureau, then Vice Minister of Communications in January 1938, at which post he remained until March 1939.~~

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~~He identified Exhibit 2369 as his affidavit. * The affidavit stated that since the MEIJI Restoration, Japan had adopted the policy of encouraging and promoting industry. Being surrounded by sea, she had special advantages for developing marine transportation and shipbuilding. * During the TOKUGAWA period it had been forbidden to build large type sea-going vessels and there was nothing in existence with respect to this field worthy of mention. It was natural for Japan to take special efforts to establish and encourage these enterprises.~~

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~~After 1887 the Shipbuilding Encouragement Law and the Ocean Navigation Subsidy Law were passed, encouraging and subsidizing the building and commissioning of larger type vessels. The enterprise developed remarkably and by 1926 the total * gross tonnage reached 4 million tons and the volume of foreign goods obtained was next to the export volume of raw silk and cotton.~~