

No. 2767

Ex 2767

Def. Doc. No. 1736

Translated by  
Defense Language Branch

INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

THE UNITED STATES OF AMERICA, et al

-vs-

ARAKI, Sadao, et al

A f f i d a v i t

OKADA, Kikusaburo

I, OKADA, Kikusaburo, having first duly sworn according to the customary form as in attached formula depose and state as follows:

I had been in the service with the Mobilization Plans Bureau of the War Ministry since 1935, and was the Chief of the Preparation Section since March 1940 to March 1943. Because of my position, I am acquainted with the status of Japan's war resources prior to the outbreak of the Pacific War.

I. On Storage of Oils and Other War Resources.

1. The Japanese Army had stored some of the important war resources which Japan lacked, under the term of "Materials for War Preparations". It was merely a small amount of

Def. Doc. No. 1786

materials that had originated from the remains of materials after the Russo-Japanese War. Especially, as to oils which had been the vital resource for Japan, she was completely lacking in storage until the outbreak of the China Incident.

2. It was with the six-year plan of completion of armament starting in 1937 that the army intended to store oils for the first time. According to the plan merely 200 thousand Koku, i.e. approximate'y 36,000 k.l.-odd was planned to be stored until 1943. (1 kilolitre makes 5.54 koku). Even this small-scale storage of oils had not actually come underway until the day of the Lukouchiao Incident.

3. At the outset of the China Incident it became impossible for the army to neglect the lack of storage of oil. American crude oil was rapidly bought up in the fall of 1937, and the minimum of aviation oil was secured for the Army. This was the first occasion of the Army's storage of oil. With this increased activity, the amount obtained was barely sufficient to satisfy the need of the Army's air power for a year at that time, even if the civilian storage of oil was put together with the Army's.

Although the Navy had been storing oils previously and civilians also were under obligation to storing oil, Japan, as a whole, was woefully lacking in oil.

4. Since then, because the China Incident, contrary to our expectations, had not simply settled, and because the United States had gradually strengthened the "moral embargo" on the other hand, Japan also had to store strategic resources as much as possible. She repeated special importations of oils and other important resources that she was lacking, in addition to the ordinary importation of them.

The "initiative" of the special importations had every time been taken by the army, whose sponsor was always the Preparation Section of the Mobilization Plans Bureau of the War Ministry of which I was the responsible person. Japan had no idea of general embargo of the foreign trade before the summer of 1940.

5. In January, 1940, the Commercial Treaty between Japan and the United States lapsed. As aggravated economic pressure was applied to Japan and the problem of the Axis Powers between Japan, Germany and Italy appeared, Japan made a further jump in its policy of storing strategic resources.

In the summer of the same year I had proposed a study of supply and demand of materials in case of the worst to the director-general of the Planning Board, which was subsequently adopted. It was a study, subject to a certain assumption, for Japan to maintain the current conditions of national economy for at least two years in case she should be

Def. Doc. No. 1786

under economic blockade. By utilizing this study, I conceived an idea to reinforce the strategic fragility of Japan's economy, which was proposed to the Planning Board and subsequently accepted as a preventive measure. With an approval of the cabinet, the special imports to some extent were made and the storage was notably increased. For the first time there had been thus arranged the minimum preparation to face the economic blockade.

In spite of the fact that the first study was simply a study, admiral YOSHIDA, the minister of the Navy at that time, had strictly prohibited participation of the staff of the Navy Ministry with it.

Besides I hereby make it clear that I had never taken any order or directive from my superiors beforehand concerning the proposals I made on these two occasions.

Def. Doc. No. 1786

II. Attempts to Surmount the Crisis by Pushing Synthetic Oil Industry.

6. I have already testified to the circumstances, in which development of peacetime economy and plan for industrial construction for the purpose of securing safety against Soviet were seriously hampered because of the China Incident. Above all the synthetic oil industry was the hardest hit.

The synthetic oil industry, which to start out with needs an immense volume of steel for (factory) construction, became incompatible with military demand for steel for the China Incident. Especially manufacturing of highpressure response pipes and assorted pipes was restricted by the domestic capacity of production. Because of the China Incident, additional demand for enormous volume of coal presented a puzzle for the future of the industry. Difficulties in getting cobalt as a catalyst could not be belittled. What is more, as a fundamental problem there was even a technical incompleteness.

In order to tide over these obstacles once and for all, it was planned to import technique, equipment and materials largely and widely by taking advantage of the Trade Agreement between Japan and Germany. However, this plan also resulted in failure due to the outbreak of the European War in August 1939.

7. After that, early in 1941, when diplomatic relations with the United States became worse, a rapid attempt was made to develop the synthetic oil industry to avert the crisis, disregarding the fact that the synthetic oil industry was in such difficulties as above-mentioned.

That is to say, in early 1941 the KONOYE Cabinet - in the cabinet meeting, omitting the traditional conference between ministries - once and for all decided the matter of rapidly expediting the synthetic oil industry, which was planned originally by the Commerce and Industry Ministry. The goal of production was set at 2,000,000 tons annually, but after attaining that goal it was intended to increase further up to 4,000,000 tons annually. We believed then that the plan could not be materialized without adjusting such fundamental national policies to face the China Incident as to the attitude of the state, scale and speed in completing armaments, and so on. The plan, however, was decided in the cabinet meeting, giving us no time to process such opinion fully to our superiors.

As anticipated, the government before long came to a sad plight in endeavoring to decide in the cabinet meeting the annual mobilization plan of materials, whose contents were quite contrary to the above plan. On making the decision, however, the government had been so seriously worrying politically

Def. Doc. No. 1786

that the government had no intention of abandoning the previous plan.

The method appearing in Prince Konoye's memoirs, to surmount the crisis with 4 million tons of synthetic oil was based on the above mentioned plan, which never materialized.

3. In October 1941 when the TOJO Cabinet was formed, various investigations were urgently and seriously conducted by the demand of the prime minister himself, in order to find out the final decisions on national policies. Among the subjects of the investigations were the one to avoid war by rapid and large-scale expansion of the synthetic oil industry. We were ordered to investigate as to <sup>the</sup> possibility of the idea.

Finance Minister KAYA proposed on the floor of the Liaison Conference on 28 October 1941 that the government should tide over the crisis and avert war by executing the 4 million ton plan of synthetic oil and by putting it together with storage of oils of the army and the navy. That is, in early morning of the next day, the 29th, I was informed by the chief of the Bureau of the matter and asked for my opinion on

In response to our report of "impossible", War Minister TOJO expressed dissatisfaction, ordered more fundamental investigation, and requested the Planning Board to make a thoroughgoing investigation of it in his capacity as Prime Minister.



Def. Doc. No. 1786

Finance<sup>c</sup> Minister KAYA further suggested production of 2,500,000 tons of synthetic oil by 1946 - putting the rest off for later years, and to make clear the quantity to be allocated each year. Director-general SUZUKI of the Planning Board, also, expressed his view that he would like to execute a plan to produce 2 million tons of the synthetic oil - using 500,000 tons of steel in two years. I was informed by the Bureau Chief of this and conducted the investigation.

The foregoing statement is the enumeration of the facts that there were continued efforts to avoid the Pacific War, even in the last stage, in the form of economic or technical counter-measure of pushing the synthetic oil industry, as well as the efforts in diplomatic activities.

9. After that, even the Planning Board reached the conclusion that rapid and major development for the synthetic oil was impossible at that stage.

The following is the outline of the part relating to the synthetic oil in the report which the Director-General SUZUKI of the Planning Board submitted to the Imperial Conference of 5 November 1941 and which for the first time put an end to discussions among government officials on synthetic oil.

(1) Assuming that 5,200,000 tons of synthetic oil would be produced, the necessary personnel and materials were:

Def. Doc. No. 1786

Steel	2,250,000 tons
Cobalt	1,000 "
Coal	30,000,000 "
Funds	¥ 3,800 millions
Coal Workers	380,000 persons

(2) Assuming to have been able to obtain them, necessary time for construction of the plants was:

Approximately 6 months - for low-temperature carbonization plant.

Approximately 2 years - for synthetic plant and hydrogen-attaching plant.

In other words more than three years were required to complete the whole plants.

(3) Besides when closely examining the domestic capacities to produce high-pressure reaction pipe and various "pipes" it was nearly impossible to secure self-supporting policy of liquid fuel in a short time by solely depending upon synthetic oil. And even though to invoke power of authorities, it would take at least 7 years.

(4) Therefore it is not proper under the urgent situations to depend solely upon synthetic oil.

III. Judgement on National Power under "Hypotheses to Open War in April, 1941."

10. Since January 1941, the Preparation Section of the Mobilization Plans Bureau, War Ministry, reached a conclusion that they should avoid the commencement of war, as a result of making an investigation of the national power in regard to the two hypotheses of "opening war on April 1 1941" or "maintaining the status quo". The findings of the investigation were reported to War Minister, Tojo and Chief of General Staff, Sugiyama, both of whom approved the conclusion to avoid the opening of war. I was the person who had supervised and commanded the investigation, and had explained and reported the findings of the investigation to the Minister and the Chief of Staff, and after my report they approved it.

As is seen in the attached certificate (a), the originals of these two reports were burnt. But as I retain in my possession the copies of these reports distributed to me as sectional chief at that time, I am able to produce them.

Besides, prior to the investigation, no other organization in our country had conducted an investigation of that kind. And also I had never taken orders nor directives in advance concerning the investigation from the superiors.

11. "Absolutely no war with the Soviet" was the condition in investigating what happens in case of "opening war". The judgement in the report - which I wrote personally - was that "the national strength of the Empire viewed from the aspect of the materials in our country cannot be safe in carrying out a protracted war against Britain and the United States", and also that "We will have enough strength roughly about the end of two years to crush the enemy. However, there is an apprehension that at about that time a shortage of liquid fuel, at least for a limited period of time, may be experienced and that the economic potential will be much disturbed if the war should be protracted".

As an official document the entire judgement does not exist today as stated above, but from a copy in my possession I am submitting a portion that contains the judgement as Annex I.

Moreover the part of the investigation concerning liquid fuel recognized that "there will be no shortcomings for various operations for the first year", and judge "for the second year, though there will be no difficulties for air operations, heavy oil allotted for sea operations is likely to run short in protracted warfare, and it is hopeless to meet the demand for a decisive battle". We presumed, however, the in case resources in the Netherland Indies could be caught intact and in good condition, the fuel crisis would not arise in the latter half of the second year.

Def. Doc. No. 1786

Again concerning the shipping which is the motive power of Japan's production, we stated in the investigation that, assuming a war would be opened in April, the vessels to be drafted by the army and navy should be fixed at the limit of about 2,500,000 tons, which was far short of the demands for operations. We thought it possible, however, to open war in winter on the ground that, taking advantage of the slack season of shipping in winter, the additional one million tons of vessels would be available, even admitting some of the drafted vessels would be lost on the way. In the investigation at that time we merely estimated that the loss of vessels would be no more than 400,000 tons at the beginning of war, but there was no small anxiety over securing transportation if situations of war occurred contrary to our expectations. This was because we had heard influential opinions from some officials of the Navy concerning estimated loss of vessels, which estimated 800,000 tons for the first year, 600,000 tons for the second year and 700,000 tons for the third year. Yet we opined that reduction of transport capacity resulting from drafting vessels corresponded to the loss of 6 million tons of coal, 2,350,000 tons of iron ore and other no small amount of materials. As for iron, the level of 4 million tons of production can be maintained by using iron ore stocked previously, whereas much importance should be attached to the result due

to the loss of 6 million tons of coal over various fields of industries. Again, as the materials stocked were bound to be almost consumed during the two years after war opened (68% in the first year, 17% in the second year of hostility), there were anxieties over our resiliency after the third year.

12. In the investigation with the assumption that the status quo would be maintained, we also arrived at a judgement. Although the official document is not in existence, as stated above, the part containing the judgement is attached to this affidavit as Annex II copied from the duplicate in my possession.

Explaining the judgement, firstly we pointed out that, assuming the following conditions, i.e. , Japan would not enter into economic rupture with Britain and the United States, that trading with their colonies in the East Asia would also be continued to a certain extent, and that economic negotiations of Japan with various regions in the South would also make certain progress, the national power of our country. in case the status quo was maintained, would continue to drop in 1941 and 1942, but would take a little upward trend in later years. Secondly, we pointed out that national power would seriously be lowered if the foregoing assumptions did not happen due to a decrease of storage of oil, our national defense would be weakened extremely.

13. Finally we have reported, under the title "Combined judgement on investigations carried out on assumptions of 'opening war' and 'maintaining status quo'", which was to compare the two investigations, that so long as import of oil was not to be interrupted by an all out embargo we should bear the situation in patience. However, regarding that part there are no official document as certified by the 1st Demobilization Bureau (attached certificate (b)), nor is my copy in existence.

IV. Freezing of Assets and Catastrophe of Japan.

14. With the freezing of assets on 26 July 1941, Japan was driven into a completely blockaded economy and indeed entered into a position facing catastrophe after the time when she would have consumed her stocked resources in two years. To explain the situation regarding oils which were vital to Japan, the total amount of oils stocked by the army, navy and civilians were:

Aviation gasoline approx.		1,170,000 k.l.
Ordinary	"	830,000 "
Kerosene	"	320,000 "
Light oil	"	320,000 "
Heavy oil	"	4,430,000 "
Machine oil	"	360,000 "

As against this, volume consumed in 1941 were:

Aviation gasoline approx.		150,000 k.l.
Ordinary	"	80,000 "
Kerosene	"	10,000 "
Light oil	"	4,000 "
Heavy oil	"	1,050,000 "
Machine oil	"	150,000 "

In consequence if the China Incident continued aviation gasoline would be only 870,000 k.l. and heavy oil 2,330,000 k.l. in two years, which amounted to merely being capable of



sustaining as little as one year for battle in the air against a strong power and for one year for protracted operations on the sea, already too short for decisive battle on the sea.

Thus Japan fell into the so-called sagging difficulties. We were judging, when the army and the navy faced the decisive battles or operations, the amount of aviation gasoline which would be needed would be about 400,000 k.l. each a year, i.e. 800,000 l.l. for both Army and Navy. This exceeded the above-mentioned amount of storage. The amount of heavy oil which would be needed for the navy would be more than 2,000,000 k.l. in protracted operations, which would in two years leave little of the aforementioned stock of heavy oil.

V. Judgment upon the national strength on the basis  
of assumption of opening war in November 1941.

15. Encountered with hardship through the freezing of funds and the stoppage of oil importation, <sup>the</sup> Preparations Section of Mobilization Plans Bureau, the War Ministry, had been rectifying the investigations of the former judgment on the national strength on the basis of assumption of "opening a war on November 1, 1941" since September of 1941 (16th Year of Showa), but about the last period of the KONOYE Cabinet, War Minister TOJO requested our Section to reexamine its investigations, and asked for a clear prospect, concerning particularly, oil, shipping, iron, coal and foodstuffs.
- By that time similar investigations were being conducted in the Navy Ministry, too, and discussions had been made between the two Ministries with regard to oil, shipping, etc., but no such investigations had been made in the Planning Board up to that time.
16. The above investigations did not differ so much in substance from the judgment on the basis of assumption of "opening a war in April", but the situation has become more serious than ever, with the decrease in stock of oil resulting from the stoppage of oil importation.
17. Through the investigations made at that time, it was judged that oil could be obtained from the Netherlands Indies to the extent of 1,000,000 K.l. in the first year and 3,000,000 K.l. in the second. But in the subsequent discussion between the Army and the Navy, this estimate was

rectified by the Army to the lowest, i. e. 300,000 K.l. in the first year and 2,000,000, in the second, adding special ingenuities to the method of consumption to overcome somehow that shortage.

As for the result of this discussion, there was of course no change at all in the desire to reach an agreement through diplomatic negotiations. The authorities concerned in both Ministries were to continue further investigations, taking into consideration a war which might have to be waged in order to get rid of the danger in national defense, resulting from oil blockade, in case the diplomatic negotiations should fail to bring about agreement.

18. Next, with regard to the shipping problem, the shipping capacity to be requisitioned by the Army and Navy, and their periodic increase or decrease were ascertained for the first time as the result of that investigation, in consequence of which the prospect of the transportation of goods became gradually apparent, viz.

Firstly, shipping capacity needed:

- (1) In order to continue the import of supplies, a monthly average of 3,000,000 tons of shipping capacity available for goods was needed;
- (2) But when that shipping capacity was reduced to 2,500,000 tons, and if (A) iron and steel and rice were given the allocation of 100% transporting capacity, (B) coal, salt, fertilizer, soya beans, ores, brick and raw cotton could not be given more than 80%, and (C) other resources, 44%.

- (3) When it was reduced to 2,000,000 tons, and if 100% and 70% were maintained for iron and steel and rice in (A) and the important resources in (B) respectively, the other resources in (C) could not be given more than 8%.
- (4) When it was still further reduced to 1,500,000 tons, and even if iron and steel and rice in (A) were cut down 80%, and the important resources in (B) to 40%, the other resources in (C) could be given but 1%.

From the foregoing it was generally surmised that the situation was serious, although the above ratio could be adjusted among (A), (B) and (C) with one another.

Secondly, shipping capacity available:

- (1) According to the investigation in August, 1941 the actual capacity of ships with more than 1,000 tons was 5,980,000 tons at the end of July, 1941; in addition to this, the total capacity of small-sized ships and controllable steam-launches was 650,000 tons, which were obtained after having been converted by taking into account their availability. The grand total of the above capacity early in November, including 90,000 tons of new ships to be built by October would be 6,720,000 tons;
- (2) If this grand total shipping capacity was reduced by the total capacity of 1,100,000 tons of ships, such as those in dock or detained, tankers, government ships, fishing boats, repair-ships and store-ships (excluded from requisition);

Def. Doc. #1786

- (3) The balance of shipping capacity available early in November, 1941 was 5,620,000 tons.

Thirdly, increase and decrease of available capacity:

(1) Ships lost:	800,000 tons (1st year)
(2) Ships seized:	100,000 " ( " )
(3) Ships newly built:	430,000 " ( " )
	550,000 " (2nd year)
	600,000 " (3rd year)

Fourthly, shipping capacity requisitioned by the Army and Navy:

Navy:	1,600,000 tons
Army:	1,800,000 " for first 4 months
	900,000 " after 7th months, as result of gradual decrease.

(Afterwards the Navy and Army still plan to increase requisition.)

Fifthly, shipping capacity needed for transporting goods on public demand based on the above calculation:

- (1) Supposing that much damage would be sustained early in the first year,

Minimum: 1,670,000 tons.

Of this if passenger ships (540,000 tons) were converted into cargo boats (100,100 tons) the actual capacity would become 1,270,000 tons.

Monthly average: Actual capacity 1,300,000 tons for first 4 months.  
Actual capacity 2,200,000 tons for the subsequent  
8 months.

- (2) If no damage was sustained after the second year, the actual converted capacity of ships for public demand would reach as much as 3,000,000 tons, but if otherwise, the figures would be changed. If, however, 600,000 tons were lost in the second year and 700,000 tons in the third, the above figure, 2,200,000 tons, would decline to some extent. In order to cover this deficit, the only way is to build new ships.

Sixthly, in summing up the foregoing, we judged as follows:

- (1) The transporting capacity 1,300,000 tons early in the first year were indeed too small to hope for anything, but if we had recourse to the compulsory store of iron ores and the utilization of various stocks, and especially if such were limited to the quiet transportation period of winter, production could be maintained, and if that transporting capacity were restored to that subsequent actually converted 2,200,000 tons, the supply of goods of actually converted 2,500,000 tons' space inclusive of various counter-measures would probably be possible;
- (2) After the second year, if no large number of ships were lost through the successful military and naval operations, that transporting capacity would gradually increase.

Def. Doc. #1786

19. With regard to various important goods, I investigated the matter from the above shipping condition, and taking the utilization of their stock into account.

20. In order to explain the above points, I prepared a diagram and reported it verbally on its basis to the War Minister.

This diagram, however, does not exist at present, as is certified by the 1st demobilization official certificate (C).

The War Minister ordered us to refer it to the Military Affairs Section, as it was closely related with other various problems, and studied my report from every angle. The attitude of the War Minister, TOJO, at that time, as far as we subordinates took it, was nothing but to order us to make various investigations.

At that time, although the military circles at large felt a great unrest in regard to making a war, particularly to the shipping situation, there was an atmosphere that Japan could not face the future danger which might be caused by the blockade of oil.

VI. Judgment on the national strength by the TOJŌ  
Cabinet prior to the opening of the war.

21. When the TOJŌ Cabinet was formed in October of 1941 (16th Year of Showa), it was decided that all the arguments concerning national policies were put aside for the present, and all the problems should be investigated from the very beginning. Thorough-going investigations of the national strength, therefore, without being satisfied with those hitherto made by the military authorities, were instituted, making the Planning Board as the center of examination, and the result was submitted to the Liaison Council, in order to formally form a final estimate of the national strength.

As has already been stated, the problem of synthetic oil was also thoroughly investigated at this time.

22. The following were the judgment of the Planning Board in case war might be avoided:

(1) Supposing the standing requisitioned ships to be 2,150,000 tons, and newly constructed ships 500,000 tons in the first year, 700,000 tons in the second and 900,000 tons in the third, goods on civil demand of the self-supplying sphere could be transported monthly 5,770,000 kilotons in the first year, monthly 7,770,000 in the second and monthly 8,970,000 in the third.



On the basis of this calculation, 4,820,000 Kilotons of ordinary steel and steel material may be needed in the first year, 4,970,000 in the second, and 5,200,000 in the third.

(2) Next, although goods from French Indo-China and Thai, which are the only supplying spheres for Japan, absolutely needed, because of the world-wide suspension of trade, the procurement of them was expected to become difficult through machination and interference on the part of Britain and America.

(3) In conclusion, the stocks of various goods for domestic consumption will gradually decrease, and particularly so with those of liquid fuel. As an example I may cite the case of crude oil.

The following are the quantities of crude oil for supply:

Home production	1st year	360,000 K.L
	2nd "	400,000 "
	3rd "	440,000 "
Synthetic oil	1st "	300,000 "
	2nd "	500,000 "
	3rd "	700,000 "

Against the above supply, its civil demands amount to 1,800,000 K.L. If the deficit were to be covered by the military stock, the civil demands can be met until the third year, but at the end of that year, will it become difficult to do so. If classified, the above

deficit will be in Kerosene, ordinary machine-oil, high class machine-oil and diesel crude oil.

Even though a fundamental reestablishment of the synthetic oil enterprise is planned, satisfactory results cannot be expected at present.

23. Next, the prospect of the Planning Board in case of war being waged was that the oil difficulties might be overcome by the procurement from newly occupied areas, and the shipping problem, too, might be solved somehow or other; thereby it was judged that minimum quantities of supply of important goods might also be maintained, viz.

(1) Oil: According to the joint-investigation of the Army and Navy, the total quantities of supply were 850,000 K.L. in the first year, 2,600,000 in the second and 5,300,000 in the third. If the prospect of supply and demand is made on the basis of these figures plus 8,400,000 K.L. of domestic stock, there will be a balance of 2,550,000 K.L. in the first year, 150,000 in the second and 700,000 in the third year, which will meet the need though not satisfactorily. According to the estimate on the 1st of December, air-fuel was 1,110,000 K.L. This will cause some shortage in the second or third year.

(2) Shipping: Transporting capacity was judged on the basis of the supposition that, in order to maintain

the supply of goods, a monthly average of 3,000,000 tons of ships for civilians were needed; demages, estimated from 800,000 tons to 1,000,000 tons in the first year, could be supplemented by 3-year consecutive ship building of yearly average 600,000 tons; and the requisition quantity by the Army and Navy would be 3,900,000 tons in the first period, but would decrease to 2,800,000 afterwards.

(3) Important goods: After taking into consideration the current production quantity of iron and its future decrease, as well as the decrease in rice import from abroad, the procurement of important goods from the occupation areas in the South was anticipated.

(4) After summing up the above, the judgment on the national strength was made in a concrete shape.

24. It was at the end of October that the foregoing estimates were finally agreed upon, and it was on the 1st of November that this was approved by the Liaison Council. And it was on the 5th of November that the President of the Planning Board SUZUKI reported it in the Imperial conference. It is, however, regrettable that this record does not exist at present.

On this 18th day of July, 1947,  
at I.M.T.F.E.

DEPONENT: /s/ OKADA, Kikusaburo (seal)

Def. Doc. # 1786

I, OKADA, Kikusaburo, 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 the same place.

Witness: /s/ KIYOSE, Ichiro (seal)

OATH

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

/s/ OKADA, Kikusaburo (seal)

Appendix I

Excerpt from a copy of the titled document, prepared by the Mobilization Plans Bureau of the War Ministry, investigated on June 1 in the 16th Year of Showa (1941), re-investigated in March and rectified in April of the same year.

Hypothetical appreciation of the  
Empire's material strength.

Judgment

1. The national strength of the Empire as viewed from the aspect of materials cannot be free from anxiety in carrying out a protracted war against Britain and the U.S.A.

As long as the enemies prefer to resort to decisive battles and challenge us accordingly, we should be able to maintain resiliency to destroy them until about the end of the second year. However, there is an apprehension that at about that time a shortage of liquid fuel, at least for a limited period of time, may be experienced and that the economic war potential will be much disturbed if the war situation should be protracted.

This shortcoming will arise from the stoppage of importation and slackness in amplifying productivity. Production of steel

and light metal may become brisk later unless bottoms for transportation are very much depleted, but the expansion of domestic production will not in any way compensate for the stoppage of importation of the materials for the specific steel and non-iron metals; the gradual consumption of the present stock may barely patch up the need of the first two and half years, but will result in an extreme shortage of supply from the third year onward.

As for the supply of liquid fuel, apprehension that there may exist a non-supply period between the time of restoration and development of the Dutch East Indies resources and that of the complete attrition of the board has not been quieted. This will emphasize the importance of shipping bottoms and will subsequently cause decreased coal transportation, with the result that industry as a whole will slump and the straightened circumstances in the field of light industry materials will pile difficulties on already existing anxieties concerning domestic problems.

2. However, if circumstances so necessitate and Japan, with a view to deliberately seeking a way out of the difficulties, should decide to seize an opportunity of resolutely entering into war against Britain and the U.S.A., the operations should be executed in such a way that the warfare in the southern regions be terminated in the quickest possible manner and the resources

in the Dutch East Indies be captured in the best condition, so that the above-mentioned apprehensions may be eliminated.

With regard to the question of bottoms for transportation, the most discrete attention will be required to coordinate the operations and the economic problems, and, in particular, to secure the existing bottoms.

Needless to say, in determining upon the resolution to wage war against Britain and the U.S.A., the present state of material strength makes it absolutely necessary for Japan to adhere to the fundamental necessity in this war of giving no rise to a Soviet-Japan war and of stabilizing domestic problems.

Moreover, when the resolution upon war is reached, the following points should be thoroughly studied beforehand and counter measures must be prepared to the fullest extent:

1. Because of the protracted war against Britain and the U.S.A., both the means of increasing army and navy armament and establishment of industries will not develop along the expected course.
2. There will be a considerable declination for a time in supply of various materials.
3. As long as the requirement of materials can be covered with the resources available within the Greater East Asia, the shortage can be filled sooner or later by devising some competent measures to utilize those resources, but the supply of non

ferrous metals and the metals as raw materials for the specific steel will be bound to experience an extreme shortage.

After the occupation of the southern regions, attention should be concentrated upon making the most effective use of such materials as are exclusively found in those regions alone (tin, rubber, quinine) and of the special products of tropics. It is suggested that by offering these items to Germany, Italy and other axis countries as well as to the Soviet and other neutral countries, efforts should be made to obtain in exchange from them or from other parts of the world through their intermediation the required materials to promote the war potentials of the Empire. Attention must also be drawn to the surplus materials of that area which will have to lose their world's market through Japan's occupation, and a new trade policy should be established in such a way as would minister to each other's wants among Japan, Manchoukuo, China and the southern regions. The question of bottoms for transportation has great influence upon practice of this policy, and its outlook so far is not quite reassuring.

Before making any determination in relation to the above appreciation as to the propriety and the time of execution of war against the southern regions, the separate report entitled "Deduction of Empire's strength based on the appreciation of the present situations" should also be studied and a synthetic decision be made thereupon.



Appendix II

"Hypothetical appreciation of the Empire's material strength on the basis of the present conditions".

(Excerpt from a copy of the titled document, prepared by the Mobilization Plans Bureau of the War Ministry in March in the 16th Year of Showa (1941))

1. Decision

Japan should expedite economic negotiations with the Netherlands Indies as soon as possible to devote herself to the establishment of the selfsupplying sphere of East Asian countries. Simultaneously, she should avoid provoking Britain and America meaninglessly, relying to the end upon the resources of their "block", to foster her national strength, thus prepare herself for possible war in the future.

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 Preparation Section of the Mobilization Plans Bureau, the War Ministry, in March, 1941.

On July 11, 1947

At Tokyo

(Signed) MIYAMA, Yoro (seal)

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

Def. Doc. # 1786

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) YOSE, Ichiro (real)

Certificate (b)

The [redacted] signed, 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, it 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)

Def. Doc. # 1786

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)

36  
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