

Exhibit 2721-A

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# EXHIBIT

Def Doc No. 1242

INTERNATIONAL MILITARY TRIBUNAL FAR EAST

The United States of America, et al

- VS -

ARAKI, Sadao, et al

SWORN DEPOSITION (Translation)

Deponent : KAGASA, Yoshiaki

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

*Cover*

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1. I, KAGESA, Sadaaki, am an ex-Lieutenant-General, and now recuperating at the 1st National Hospital from pulmonary tuberculosis.
2. I had served as Chief of the Chinese Section of the General Staff Office from August of the 12th year of Showa (1937), and was appointed Chief of the Military Affairs Section of the Military Affairs Bureau of the War Ministry in June 1938.

In accordance with the decision of the HIRANUMA Cabinet's Five Ministers Council in April of the 14th year of Showa (1939) with respect to Mr. Wang Ching-wei's Japan-China peace movement, I assisted Mr. Wang Ching-wei in removing to Shanghai as he, having moved to Hanoi from Chungking at that time, was planning the peace movement. He was beginning to feel his personal danger. I helped him continuously in his movement of establishing the Central Government. At the establishment of Wang's Government towards the end of March in the 15th year of Showa (1940), I became <sup>his</sup> highest military adviser and held the position till May of the 17th year, of Showa (1942).

Therefore, I am well acquainted with the details of the establishment and the character of the Nanking Government which had Wang Ching wei at its head.

3. I am not very well acquainted with the peace negotiations carried out through the medium of Mr. Trautmann, German Ambassador to China, from the end of 1937 to the beginning of 1938 since they were presided over by the Minister of Foreign Affairs. However, I recollect that the National Government once was about to accept the terms of the Japanese

Government, <sup>but</sup> on the 14th of January it suddenly sent an answer contrary to the expectation of the Japanese Government.

The attitude of the National Government towards these negotiations may be seen from an essay of Wan Ching wei's entitled "For An Instance" published on the 27th of March 1939.

Upon receipt of the National Government's reply of the 14th of January the Japanese Government drew the conclusion that the Chinese Government had no sincerity in the peace negotiations between China and Japan and announced : on Jan. 16 that henceforth it would have nothing to do with the National Government. It was not because the Japanese Government abandoned all hopes for an over all peace between China and Japan. Japan was very eager for it and gave up the peace effort with the National Government which was judged to be unfaithful to the idea of general peace. She intended to accomplish the same purpose in some other way.

4. In the spring of 1938 Mr. Kao Tsung-wu, former Director of the Bureau of Asiatic Affairs, and Mr. Hsun Tap-ning, former Chief of a section of the Bureau of Asiatic Affairs, came to TOKYO in succession. I met them in the capacity of Chief of the Chinese Section of the military Affairs Bureau. Their purpose of visiting TOKYO was, in fine, to make the Japanese Government understand that "once the Japanese Government disregarded the Chiang Regime, some other person than Chiang Kai-shek must be sought to invite peace between Japan and China. For that purpose no one was better suited than Mr. Wang Ching-wei, who feeling

the necessity of expeditiously settling the problem between Japan and China is advocating peace. His assertion, however, would never be accepted by the National Government. Therefore there was no alternative but to make Chiang Kai-shek listen to peace overtures by launching a national peace movement outside the Government."

The Japanese Government seemed to have no particular objections to Mr. Kao's plan.

After that, however, the Japanese did not make any positive overtures to Mr. Wang Ching-wei.

5. As we heard nothing further from Mr. Kao Sung Wu, we thought that his movement had failed and did not take any particular pains to investigate into the matter. But in the autumn of the same year (1938), Colonel IMAI of the General Staff, who happened to go to Shanghai on official business, returned to TOKYO with the "Tentative Terms of Peace between Japan and China" which had been drawn up by Mr. Kao and Mr. Mei Ssu-ping.

The Central military authorities made some amendments to that tentative plan in accordance with "the policy for the adjustment of relations between Japan and China" which had already been drawn up, and I together with Colonel IMAI was ordered to proceed with the terms to Shanghai on the 19th of November and transmitted them to Messrs Kao and Mei. Since they gave us their opinions containing some desires on the part of China, we made several amendments. In form, this plan was different from the KONO statement of the 22nd of December of the same year, but in substance

it was almost the same. In addition to that, the Chinese proposed that "Mr. Wang escape from Chungking according to a pre-arranged plan and thereupon the Japanese Government would be expected to announce the terms of peace." This was due to the fact that in order to give impetus to the development of Mr. Wang's peace movement it was necessary to clarify what Japan desired of China.

We transmitted these matters to our respective superiors, and the War Minister reported them to the Five Ministers Council and obtained its assent. I remember it was on the 25th of November.

6. Mr. Wang agreed to the result of our conversations at Shanghai and escaped from Chungking on the 18th of December 1938, according to a pre-arranged plan and reached Hanoi in French Indo-China on the 20th.

Premier KONOE announced what is known as "Kono's three principles" regarding the policy for the adjustment of relations between Japan and China on the 22nd of the same month, while Mr. Wang in response to the Kono statement sent circular telegrams containing peace representations to the Central Office of the Kuomintang Party, Chiang, President of the Kuomintang Party, and the Central Executive Committee. In these telegrams he argued the necessity of peace between Japan and China, stated the impossibility of resistance, and explained that, once Japan's attitude had been made clear by the KONOE Statement further resistance was useless. Thus he earnestly desired reconsideration of the National Government.

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7. At this juncture, I must go into the history of the KONOE statement, and recollect the broad points of view of Premier KONOE, Navy Minister YONAI, War Minister ITAGAKI, Foreign Minister ARITA and Finance Minister ISHIWATARI with respect to the adjustment of relations between Japan and China.

In view of the attitude of the National Government at that time, a fairly long war was to be expected. It is natural that the Japanese demands upon China would increase, in proportion with the prolongation of the war resulting in the increase of sacrifices and the magnification of victories. But what Japan wanted of China was the Co-existence and co-prosperity of Japan and China based on a hearty collaboration between the two nations. At this point, in accordance with the various Minister's idea that Japan's grand policy embracing what she desired of China must be decided as the National policy, the authorities of the War, Navy, Foreign and Finance Ministries commenced to formulate plan from about July 1938, and at length, it was referred to an Imperial Conference on the 30th of November. The national policy was decided then. The KONOE Statement of the 22nd December 1938 was the summary thereof. At that time, not a few people, civilians, government and military circles and like thought that reparations for the sacrifices suffered during the Chino-Japanese Incident should be in the form of acquisition of territory or control of management. It is a remarkable fact that this grand national policy which seemed rather weak-kneed was decided upon under such circumstances utterly abandoning the idea of reparations.

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8. On the 1st of January 1939 the Kuomintang Party of the Republic of China decided to strike Mr. Wang's name off the party register and to expel him from all public offices. Special service agents were dispatched to Hanoi by the Chungking Government and they threatened him. Mr. Tseng Chung-ming, Mr. Wang's right hand man was assassinated at Mr. Wang's house in Hanoi on the 21st of March. Thus it was reported that his life was endangered every minute. At a meeting of the Five Minister's Council it was determined that I should see Mr. Wang and, if necessary, assist him to reach a safety-zone if requested. I reached Hanoi on the 17th of April by the "HOKKO-MARU" together with YANO, Secretary of the Foreign Office and Mr. INUKAI, Ken.

9. I met Mr. Wang Ching-wei at his private residence in Hanoi on the 18th of April.

Mr. Wang regretted the outbreak and the development of the Sino-Japanese Incident, and said "I discussed with Mr. Chiang Kai-shek in writing or in direct talk about the necessity of Sino-Japanese Co-operation in which I believe, but Mr. Chiang Kai-shek told me that it was impossible to bring about peace partly because he himself was suspicious of Japan's real intentions, and partly because of various circumstances. Just when I thought that there was no way but to attempt to sway the Chungking Government by arousing public opinion from the outside giving up the project of getting Mr. Chiang Kai-shek to change his mind while in Chungking I was notified by Mr. Kao Sung Wu and Mr. Mei



Ssu Ping of Japan's peace policy. I strongly believed that it was not impossible to obtain public opinion, if Japan really abided by that policy." He also said that the KONOE Statement of the 22nd of December had a most important effect on the development of the peace move.

Mr. Wang further stated that, as it was dangerous and meaningless to stay at Hanoi, he wanted to further the movement with the seat of his activities in Shanghai and that he was intending to move from Hanoi to Shanghai with the consent of the French Indo-china Authorities. He also hoped to develop the peace move after arriving at Shanghai by a much more advanced method than which had been planned till then. He was considering the plan to be followed.

Mr. Wang's original plan for the development of the peace move was to instill peace enthusiasm among the people with the members of the Kuomintang as central figures and make the National Government do away with the anti-Japan policy. As already mentioned he had no intention of establishing a government.

10. Mr. Wang chartered a French ship with the consent of the French Indo-china authorities and boarded it on the 25th of April, 1939. at KATOBA Island (T.N. Not clear), guarded by staffs of the Peace-Preservation Bureau of French Indo-china. The ship left on the 26th, We, the Japanese members boarded the "HOKKO-MARU" at Haiphong. On the 28th we received from Mr. Wang Ching-wei a communication to the effect that he wanted to transfer to the "HOKKO-MARU", and in the same evening he changed ships presumably in the offing north-east of Bias Bay. Then,

after touching at Keelung to replenish coal and provisions, sailed straight for Shanghai and reached the Hongkew wharf in Shanghai on the 8th of May. I often talked with Mr. Wang on board the "HOKKO MARU". The important things which Mr. Wang told me and Mr. INUKAI during our conversations are as follows.

(1) Until then the plan of the peace move was to organize a peace body centred around the Kuomintang members, to point out the reason why Chungking's anti-Japanese theory was erroneous, to explain that peace was the only way to save China and East Asia; to enlarge the peace camp by degrees; and ultimately to make Chungking change its policy. But upon careful consideration, it is extremely difficult to make the Chungking Government change its policy by discussion alone.

Now, the advocacy of peace came from his love for China, but anti-Japanism is also an expression of patriotism. However, advocacy for peace cannot easily be distinguished from treason. It is therefore difficult to make the general populace listen to the advocacy of peace quite unlike the advocacy of resistance to Japan which fall on ready ears. Advocacy for peace can shine only when the righteousness and adequacy of Japan's policy are endorsed by facts. That is, if the KONOE statement is actually put into practice, the Chungking Government's advocacy for resistance to Japan will lose its basis. Then, I believe, even the Chungking Government will have no choice but to turn to peace swayed by the general current of public opinion. For that purpose, the shortest way is to establish a peaceful government

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and cooperate with the Japanese Government with in implementing the KONOE statement.

For this reason, I thought it best to give up the previous plan and establish a peace Government, to arouse public opinion that resistance was meaningless not only through the enlightening movement by speech to Chungking but also through factual proof of the good results of Sino-Japanese Cooperation. By doing this the Chungking Government might turn to peace.

Therefore, if the Government of your country has no objection to this new plan, I wish to change the previous plan and proceed with the establishment of a peace government.

(2) The establishment of the government does not aim at the destruction of the Chungking Government. If only peace can be invited, I don't care who holds the political power. The purpose of the peace move is to influence the Chungking Government to turn to peace, and to make it cease the resistance. For that reason, it is not desirable to provoke a civil war such as to fight against Chungking and cause bloodshed though it will be necessary to possess military forces after the establishment of the government. If the Chungking Government join my movement in the future, the purpose of the movement will have been attained and I shall retire to private life without any hesitation. This fact I wish to state definitely and make my myself clear."

In short, what Mr. Wang intended was to show the Chungking Government and the general public that the advocacy of peace was not groundless

by establishing the peace government and creating a living example of co-operation with Japan, and thereby conduct the Chungking Government to peace, and bring about a general peaceful cooperation with Japan in conjunction with the Chungking Government. Therefore, with the establishment of Mr. Wang's new regime, China would be, for a time, divided into two camps -- the peace faction and the resistance group -- but ultimately she would be reunited into one. Without this reunion it is a certainty that general peace cannot be achieved. That was the guiding principle of Mr. Wang's movement.

This can be seen through the words in his circular peace telegram of 16th January 1940 "If Mr. Chiang in consideration of the fate of the country and the welfare of the nation, courageously decides upon a far-sighted policy, makes peace with Japan, and, in accordance with the principles of the <sup>KONO</sup> Statement seeks its concrete facts, Chao-ming and his comrades will certainly join forces with him and rapidly bring about peace to the whole country."

11. Reaching Shanghai on 8th May 1939, Mr. Wang Ching-wei met his comrades, Chu Min-yi, Chow Fu-hia, Fu Shi-shuo, Mei Ssu-ping, Kao Tsung-wu etc. As a result of the meeting he decided to visit Japan. He informed me of that determination and requested me to communicate with the Japanese Government at my discretion. He was drawing up the plan of the peace movement and studying the points which he would demand from the Japanese Government. As soon as these plans were completed,

he intended to depart.

The principal points drawn up by Mr. Wang with respect to his visit to Japan were in substance as follows.

(1) Opinions will be frankly exchanged with Prince KONOE, Premier HIRANUMA and some other ministers concerned, Mr. Wang would personally attend to these matters.

(2) If as a result of the meetings, the peace movement is considered hopeful the following articles will be implemented by Chou Fu-hai.

A. In order to further the movement "Demands Concerning the Execution of Principles of the Respect of Sovereign Rights" will be presented to the Japanese Government due to the necessity of making the Chinese people understand that Japan has no intention of aggression, control or of interfering with the internal affairs of China.

B. In order to show that the new government was not formed under the pressure of Japan, it is necessary not to disrupt the previous judicial system and the Japanese Government will be required the consent to the recognition of the following matters as being indispensable terms: The new government shall be called the National Government. The form of its establishment shall be the "return to the capital". The San Min Chu-i, Three Peoples' Principles will be made the guiding conception, the "Sun -in-the-blue-sky-flag" will be used as the national flag.

12. Mr. Wang and his party left Shanghai for Tokyo by air at the beginning of June, 1939. The party consisted of Chou Fu-Hai, Mei Ssu-Ping, Kao Tsung-Wu, Chou Lung-Yung and Tung Tao-Ming. On the

Japanese side, Yano and Shimizu, Secretaries of the Foreign Office and Ken Inukai and I joined the party.

Soon after our arrival at Tokyo, Mr. Wang had an interview with Premier Hiranuma. At the interview, the Premier expressed his opinion concerning the Sino-Japanese Co-operation to be based upon moral conception and admired Mr. Wang's moral courage in attempting to solve the unfortunate incident between Japan and China. Answering this, Mr. Wang said that further struggle between Japan and China would be meaningless and that he is determined to concentrate all his energies on the materialization of peace. He then asked the Premier whether Japan had a policy for promoting the peace movement with the Chungking Government for the positive solution of the Incident; whether Japan had the policy of directing its activities towards sympathizers in civil circles and excluding the Kuomintang party members; whether Japan had the intention of paving the way to the solution of the incident by welcoming all persons who give thought to the future of both countries regardless of whether they both are among Government circles or among civilian circles, members of the Kuomintang or other party. And he stated that he would establish a Peace Government with himself as its central figure if Japan considered this third method appropriate, and that he would serve sincerely for the attainment of the purpose.

In reply to Mr. Wang, Premier Hiranuma said that the present cabinet inherited the ideas of the Kono Statement and is adhering to it firmly. He also expressed his approval of the opinion of Mr. Wang and

the peace policy, and stated that Japan was ready to lend absolute assistance and support in response to his decisive will. To this interview I was a witness and heard everything from the beginning to the end.

As for the interview with the other ministers concerned, I have no recollection of anything requiring special mention, except to the statement of the War Minister, Itagaki. Acting in the capacity of proxy for Premier Hiranuma, the War Minister, Itagaki, in the morning of June 15 stated just what was expected by Japan and exchanged opinions.

I was a witness to this interview and was able to understand well the contents of the conversations. I observed then that the War Minister was especially careful in the choice of his words so as to avoid giving any impression to Mr. Wang of interference in the internal policy of China. Recalling from my memory, the gist of the conversation was as follows:--

(1) The War Minister asked Mr. Wang, what is your opinion concerning the liquidation of past evils arising out of the doctrine of 'One Nation, One Party' at this opportunity?" Mr. Wang said that he held the same opinion and that he had the desire to live up to the Minister's expectation by directing matters in such a way as to take in members of all parties and Factions, Kuo-min-tang or otherwise, in as much as it is feared that any dislocation of the juridical system would entail an

obstacle to the future development of the movement.

(2) The Minister answered, "persons belonging to the two existing governments the Provisional and, the Restoration are faithful to the same idea. They have striven for the peaceful co-operation between Japan and China enduring persecutions, joy and Japan cannot dissolve them without some consideration. Therefore I want your opinion on the establishment of a political council with the Provisional Government an Economic Council with the Reformation Government or something of the sort in order to manage Sino-Japanese relations locally." To this Mr. Wang answered "I have NO objection to the establishment of a Council in North China which is far from Nanking and in entrusting the local administration thereto to a certain extent. There is an example in Mr. Huang Fu who was once the head of the Political Council there. However, I am unable to consent to the establishment of anything of this nature in Central China. I am ready to consider, of course, the warm treatment of persons thus affected in this region."

(3) The Minister said, "Many people interpret nationalism or the doctrine of the people's welfare in SAN-MIN-Chu-I as if it accepts pro-Communism and Anti-Japanism. Have you not any opinion as to the adjustment of this at this opportunity and promote Sino-Japanese Co-operation, and Anti-Communism?" Mr. Wang answered that he was altogether of the same opinion.

(4) The minister stated, "most of the Japanese people think that the "Sun in the Blue Sky" Flag denotes the sign of Anti-Japanism. If the



Peace Government and its army had the same flag with that of the Anti-Japanese Government, unexpected results may occur in actual Military actions of the Japanese army. May I ask you for some consideration on this point?" Mr. Wang was absolutely opposed to this but said that he would consider a method by which a distinction may be made between the Nanking and Chungking corps.

(5) The minister sought Mr. Wang's opinion as to the problem of the recognition of Manchukuo. To this Mr. Wang answered in the following vein,-- "according to the address given by Dr. Sun Yat-Sin in Kobe in the twelfth year of Taisho, recognition of Manchurian independence is not against doctrine. We should recognize Manchukuo as an independent nation in view of her present stage of vivid development. Inasmuch as I am set on the aim of realizing peace with Japan, I am firmly convinced there is no alternative but to recognize Manchukuo."

In the above interview, the Minister considered that in so far as the internal affairs were concerned, it would be wise to accept Mr. Wang's opinion, but since the problem of the national flag and that of the dissolution of the Renovation Government are concerned with the prosecution of the war, he perceived that it would be necessary to make the Japanese army in China cognizant of the opinion of Mr. Wang and therefore summoned his staff officers to Tokyo. The staff officers of each army were opposed to "the Blue Sky and the White Sun Flag", because the Japanese officers and soldiers have a strong belief that the 'Blue Sky and the white Sun Flag' is the symbol of Anti-Japanism and that it makes

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the distinction between the peace Army and the Anti-Japan Army difficult; They were also opposed to the dissolution of the Renovation Government because it would give rise to difficult problems in the Maintenance of public peace.

But as a result of discussions, the staff officers of each army understood the will of the minister who thought that it had better respect fully the will of Mr. Wang concerning such internal problems in China, and they came to agree with the opinion of the minister. Thus they arrived at the conclusion that since the central authorities had resolved to respect Mr. Wang's opinions they must make their subordinates subservient to this decision.

Itagaki, the War Minister, informed the Five Ministers Conference of these happenings and it was decided to respect without reservations the will of Mr. Wang.

After the interview with the Premier and the ministers concerned, Mr. Wang had an interview with Prince Konoe. Without an interpreter Prince Konoe talked with Mr. Wang for hours, and so I could not understand its contents in detail. But it seemed to me that at this interview Mr. Wang was inspired with much courage and hope as to the future of the peace movement.

13. Following this, the aforementioned "request concerning the realization of the principle of respecting sovereignty" was submitted by CHOU Fuo-hai and the contention on the Chinese side was generally admitted by the Japanese Government. The more important items, still

in my memory, are as follows:

(a) Japan will not interfere with China's domestic administration. Therefore all negotiations will be carried out through the regular diplomatic channels. Advisers shall be provided at China's request only in the Central Government and the highest military body.

An adviser will answer inquiries and submit his opinion occasionally to the Chief concerned but a decision will be made exclusively by the chief concerned.

(b) As to joint enterprises, improper appraisal of property on the Chinese side shall be corrected and the proportion of Japanese investment shall be limited.

(c) Surplus customs duties in the custody of the Tax control Bureau and the YOKOHAMA Specie Bank shall be transferred to the Central Government after its organization.

(d) The Salt Administration shall regain its pre-war status immediately after the organization of the Central Government.

(e) Factories, mines and houses under the Japanese Army's control shall promptly be returned to China except those which are necessary from the military viewpoint.

14. As previously mentioned, the original plan of WANG Ching-wei was to develop a peace movement with Kuomintang members as its leaders, with no intention whatsoever to establish a government. But he changed his mind during his stay in HANOI and that plan was replaced by a peace move-

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ment plan based on establishing a government. The Establishment of Mr. WANG's regime entirely depended on his own free will, and the Japanese Government neither requested Mr. WANG to establish a government, nor persuaded him to do so. This is clear in the talk between Premier HIRANUMA and Mr. WANG Ching-wei during his visit to Tokyo in the first ten days of June, 1939. His New-year's statement issued on January 1st, 1940 bore eloquent witness to these circumstances.

From the following paragraph in the New-Year's statement, it is evident that the NANKING Government was established really in accordance with Mr. WANG's free will: "As to my positive embarkation on the peace movement for saving our country, some of my friends approved it and others opposed it, advising me in various ways. I myself, was extremely worried about the means and ways. In order to achieve the great mission which is in common with Japan and China or the stabilization and security in East Asia and establishment of a new order in East Asia, was I to stay out of the government and to convert the present thoroughly anti-Japanese government, advocating peace and salvation of our country, or to achieve this by establishing a new political power? Or, even in case of establishing a new political regime, was I first to establish it as a local political power and then enlarge it gradually to make it Central Government or was I to establish the central government from the beginning? Thus there were many ways conceivable. But comparing all those ways, I reached the conclusion that the most direct and bold way was the most effective and most conducive to future development, and

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finally I decided to head straight for establishing a central political power."

15. The KONOYE Statement of December 22, 1938 is the only datum available to Mr. WANG Ching-wei with regard to Japan's desire towards China. But it was too abstract, that various opinions, both firm and moderate, would arise therefrom if one were to put it in practice.

If, after Mr. WANG Ching-wei succeeded in organizing a government, great difference should be found between draft treaty submitted by Japan and Mr. WANG's understanding of the KONOYE Statement, Mr. WANG would face a difficult situation. The result thereof would be the collapse of his government or his being left in the hands of a puppet political power. In either case it was certain that the peace movement would fail.

It may be said, therefore, that, in order to show the Japanese Government's sincerity toward Mr. WANG and also to make the peace movement a success, the Japanese Government should deliberate with Mr. WANG as to the embodiment of the KONOYE Statement prior to Mr. WANG's organizing a government.

However, in case the contentions of both sides do not agree, Mr. WANG has the liberty to suspend establishing his government.

I presented the above view to the Government and it was approved. In October, 1939 a tentative plan was shown me by the China Affairs Board.

I, together with Rear Admiral SUGA, Foreign Office Secretary YANO and INUKAI Ken on our side and CHOU FUC-HAI, MEI Ssu-PING, LIN PAISHENG,

and CHOU LUNG-HSINANG on WANG's side, conducted exhaustive investigations and discussions. Due amendments were made to the said draft plan and a conclusion was reached on Dec. 30. To this amended plan both the Japanese Government and WANG CHING-WEI expressed mutual agreement.

16. It seems that peace negotiations with CHUNGKING, even after the issuance of KONOYE's statement, in January, 1938 to the effect that Japan will have no further dealings with the Nationals Government, were in many instances conducted by non-official Japanese with the understanding of high government authorities, but I am not well acquainted with this matter. From about January, 1940, under the supervision of ITAGAKI, Chief of Staff of the Expeditionary Army in China, peace negotiations with CHUNGKING were actively held. This endeavour was carried on with a view to contributing toward a merger of the CHUNGKING regime and WANG's prospective government and also to bringing about an overall peace. The said peace negotiations were promoted through SUNG Tzu-eiang.

About the end of March it was observed that the possibility of their succeeding was very great so that Chief of Staff, ITAGAKI, after consultation with WANG, decided to postpone the formal establishment of the latter's government for several days. But, finally without achieving the effected results, WANG's government was formally set up on March 30. Even after this, manoeuvres for peace through SUNG TZU-LIANG were enthusiastically continued by Chief of Staff, ITAGAKI. The Sino-Japanese

treaty negotiations which were started from June, 1940, were conducted on a "dilly-dallying" policy after consultation with WANG. This was also for the purpose of facilitating the success of the said peace manoeuvres. Unfortunately, however, these manoeuvres also proved unsuccessful, and in October of the same year, it was decided to discontinue the endeavour for peace.

After the failure of the manoeuvres through SUNG TZE-LLANG, Foreign Minister MATSUOKA, after consultation with WANG, schemed for peace negotiations through the agency of CHIEN YUNG-MING and until the results thereof were definitely known, the signature of the treaty was withheld. But at last, on Nov. 30 of the same year there took place the ceremony for the signing of the treaty and Japan granted recognition to WANG's Government. As stated above, all through the period covering before and after the setting up of WANG's government, every successive Cabinet was deeply concerned about the establishment of peace with CHUNGKING.

17. The Japanese government Army and Navy had no organs or mechanism established for the guidance and supervision of the WANG Government. Although the NANKING Government had advisors in its Military and Economic Council, these advisors were all appointed and engaged by WANG CHINGWEI. They were not forced upon or recommended by the Japanese side. These advisors all acted in accordance with the Chinese regulations and gave advice whenever called upon. They offered their opinions occasionally, but never exercised guidance or interference, nor did they make investigations. These Advisors, acting as a medium between WANG's

government and the Japanese side, made great efforts for the prosecution of the policies of WANG's Government.

The Advisors, in order to avoid as much as possible temptations to interfere assumed such an attitude that they were rather too passive in their conduct. But this was in accordance with the intention of the Japanese Government and the military so as to prevent WANG's Government from becoming a puppet. Accordingly, in the WANG Government organization and personnel affairs were all left to the free will of the Chinese and no restrictions were exercised with respect to these matters. It was the same with the decision on policies and not a few of them were only brought to the knowledge of the Japanese after the decisions thereon were made some of the policies which WANG's Government wanted to put into effect proved infeasible because of Military restrictions, but this was unavoidable. It cannot however, be denied that the Japanese Army assumed an attitude to help the execution of the policies of WANG's Government, to the greatest extent permissible under such circumstances. As for the budgets also, the Chinese independently decided on them and, according to what we have heard, the economic Advisors were lending their good offices by giving their views regarding financial resources.

On the basis of the demand regarding the political independence which had been agreed upon between the WANG Government and the Japanese Government in June 1937, the latter stipulated some restrictions to the economic advance of the Japanese into China. In particular, the reduction and restrictions made in the percentage of the shares to be held



by the Japanese in Sino-Japanese joint concerns which were national policy companies, created considerable repercussions among the Japanese economic circles. And it was also promised that many of the already established advantages and vested interests would be returned to the Chinese. This caused not a few people among the military, governmental and non-governmental circles to entertain antipathy and scepticism towards WANG's Government, and some even went as far as to call Wang's Government an anti-Japanese government under the veil of peace. Thus an anti-WANG Government atmosphere was created with in Japan. This was, after all, a reaction to WANG's Government having planned for its political independence and the Japanese Government having rendered assistance thereto. This also can serve as a testimony of the fact that WANG's Government was not a puppet government.

On this 15th day of March, 1947,

at Tokyo.

DEPONENT /S/ KAGESA Yoshiaki (seal)

I, YAMADA Hanzo hereby certify that the above statement was sworn by the Deponent, who affixed his signature and seal thereto in the presence of this Witness.

On the same date, at Tokyo.

Witness : /S/ YAMADA Hanzo (seal)

Oath

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

/S/ KAGESA Yoshiaki (seal)