

Doc. 6911.

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OPENING STATEMENT.

SUBJECT: GENERAL PREPARATION FOR WAR.

PRESENTED BY:

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New Zealand.

ASSOCIATES:

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Token trial

INTERNATIONAL PROSECUTION SECTION,
SEPTEMBER 1946.
TOKYO, JAPAN.

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OPENING STATEMENT

Mr. President and Members of the Tribunal -

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The part of the Case for the prosecution which will now be presented is that which deals with the general naval, military, production and financial preparations for aggressive war which were made by Japan from 1932 onwards, and for which it is submitted the Defendants must be held responsible. The Counts of the Indictment which are affected are all those comprised in Group I and the summarised particulars of the principal matters and events on which we rely are contained in Section 5 of Appendix A.

The evidence which will now be presented will show, it is submitted, that Japan made naval, military, and economic preparations which far exceeded the requirements of legitimate defence, and which had as their real object the fulfilment of the conspiracy to wage wars of aggression and in violation of treaties as charged in the Indictment.

The evidence will be presented in the following order. First evidence will be adduced to show the steps taken by Japan to increase the production of munitions and materials of war and the financial measures adopted for that purpose. My colleague Mr. English will then present evidence of Japan's general military preparations. This will be followed by the evidence of the illegal fortification of Japan's Mandated Islands, and then my colleague Capt. Robinson will adduce evidence of the general naval preparations which were made.

In the statement and outline of the evidence which I am about to make I will follow the same order.

PRODUCTION AND FINANCIAL PREPARATIONS.

Evidence as to Japan's production and financial preparations

for war will be given by Mr. J. G. Liebert. Mr. Liebert is an expert in economic and financial matters, who has been employed since October 1945 in the Economic and Scientific Section of the General Headquarters of the Supreme Commander for the Allied Powers as Chief of the Controls and Cartels Branch. In addition he has made a special investigation of Japan's economic and financial preparations for war.

It is of course well known that modern warfare requires the use of vast quantities of equipment of all kinds, and it is obvious that Japan's attack against Pearl Harbour, Malaya, and other places from December 1941 onwards must have been preceded by large scale industrial preparations. The evidence of Mr. Liebert will show the comprehensive nature of those preparations during the years prior to 1942, how they affected Japan's whole economy and every aspect of the life and activities of its people, and how they were directed to the object of achieving by the year 1941 not only the maximum production of the equipment and supplies necessary to enable her aggressive plans to be executed, but also the maximum potential for future maximum production.

In June 1937 the month before the Marco Polo Bridge Incident the Japanese War Office prepared a Five-Year Plan for the production of war materials. At that time the Defendant Umezumi was Vice-Minister of War and the Defendant Kaya had recently become the Finance Minister. The purpose of this plan was to ensure the stimulation and control of industries in order to obtain perfection in the wartime supply of the principal war materials. This plan was closely bound to another plan relating to Major Industries, a product of the Planning Board. These plans and other fundamental plans will be produced and explained in detail by Mr. Liebert who will also show the extent to which they were realised. They necessitated the artificial stimulation and control of Japan's whole

economy. They required a national self-sufficiency to be achieved at a cost which normal legitimate enterprise could not support or justify. They required the application by the Government of subsidies, special privileges and protections, grants in aid, guarantees of dividends and profits and other financial concessions to selected industries.

The plans were based on the unification of national policy with military administration. They aimed at the strengthening of the productive power of all war material industries as well as all major industries in both Japan and Manchuria, which were capable of conversion in war-time. They provided for the acceleration of self-sufficiency in respect of raw and other materials and fuel in Japan, Manchuria and China, and for the speedy enforcement of control over war material industries, having in mind the conversion from a peacetime to a wartime basis. Emphasis was laid on the speedy production of aeroplanes, arms, and ammunitions, tanks and army trucks and other equipment constituting the main factors of fighting power as well as items directly connected with such factors.

The plans provided also for the fullest possible use to be made of the resources of Manchuria, and Korea, and other parts of the Continent which were under Japan's domination.

It should be added that yearly production and expansion objectives were set and Mr. Liebert will show in several instances the extent to which these were actually realised.

The plans cover many other matters than those I have mentioned, but it is unnecessary at this stage to give further details. It is sufficient to say that the plans and Mr. Liebert's evidence will show that they are as complete and comprehensive as human ingenuity could make them in order to achieve the object sought, namely to ensure that by the end

of the year 1941 Japan should be in a position so far as the production of war materials was concerned which would enable her to put into execution her plans for the conquest and domination of the countries of East Asia and the Pacific Ocean.

In order to show the full import and purpose of the production plans and how they were carried out Mr. Liebert will present to the Tribunal a number of short surveys of selected industries. He will, for example, examine the Electric Power Industry, the importance of which in the development of industries concerned with the production of war materials cannot be exaggerated. The plans provided for an increase by the year 1941 in the production of electric power from hydroplants of approximately 50%, and from coal plants of 35%. It will be shown that this industry was in 1938 placed on a totalitarian basis by the enactment of the Electric Power Control Law under which a national policy company was formed. The principal object of this company was to increase the electric power resources of Japan and to develop them along lines necessary to meet military requirements. The Company was controlled by the Government, which guaranteed the principal and interest of all debentures issued up to three times the capitalization of the Company. It was exempted from local taxation and was accorded many other direct and indirect subsidies. In addition the Government guaranteed stockholders a dividend of 4% for 10 years.

The control measures were extended to the distribution of electricity and it will be shown that by the methods employed under the plans, by the Laws and Ordinances enacted, and the formation of national policy companies and by other means, the production of electric power was materially increased.

Mr. Liebert will also discuss what took place in connection

with the development of the production and importation of Petroleum, the Coal Industry, the Chemical Industry, the Shipbuilding Industry, the Iron Manufacturing Industry, the production of Non-Ferrous metals such as copper lead, zinc and tin, the Machine Tool Industry, the Motor Vehicles Industry, the Aircraft Industry and other industries and commodities vital to modern warfare. In all these the pattern is the same. Every effort that could be devised was exerted to increase production. For this purpose drastic controls were imposed. The Government adopted laws and ordinances to enable the Plans to be carried out. It formed National policy companies for the same purpose. In short it became a totalitarian state for the purpose of being able to wage war, and in so doing it completely abandoned normal economic standards and substituted an economy which was based solely on the furtherance of aggressive schemes for expansion and the domination of other countries.

As regards the financial aspect of Japan's war preparations Mr. Liebert will deal with this subject under two main headings. He will show that totalitarian financial controls were introduced in the first place in order to integrate dependent territories into Japan's economic system in order to obtain from them materials and wealth necessary for Japan's economy, and also to control the flow of money and goods so as to achieve the maximum benefit of foreign trade in support of industrial production for War purposes. In the second place he will show that financial controls were adopted in order that the total financial capacities of Japan should be used most effectively in order to build up War production and War production potential by direct and indirect Government spending and by rigid control over the flow of money, capital and goods.

He will demonstrate the use made of the policy of integration of territories by showing what happened in Manchuria and later in Manchu-

-kuo. He will show that in July 1935 an agreement was made between the Japanese and Manchukuo Governments, which had the effect of binding the economies of the two countries practically as well as politically, and that following this Agreement in November 1935 the Yen Bloc was established when Manchukuo's currency was deprived of its silver basis and stabilized at par with the Yen, thus integrating the moneys of the two countries.

Evidence will also be given to show how the device of the "National Policy Company" was used in the integration policy, and it will also be shown that so far as Korea was concerned Japan's grip of the economic structure was so strong that approximately 97% of all corporations doing business in Korea were controlled by Japanese, and that a similar position obtained in Formosa.

Reference will be made to the Fundamental Plans which have been previously mentioned for the purpose of showing the provision made therein for the use of the reserves and materials of Manchuria and North China, and indeed for the complete integration of those areas.

Despite the advantages obtained by Japan by the integration policy used in connection with Manchuria and other parts of North China, there were certain disadvantages caused by the currency used in occupied territories being valid for circulation in Japan. Consequently in 1938 it was decided to use in Central and South China as the sole legal tender of the Japanese Army certain scrip denominated in "Yen" and called "Military Yen". This Military yen did not represent an obligation of the Japanese Government or of any Japanese Bank. They were not supported by specie or foreign exchange reserve and were not convertible into the free yen accounts with Japanese Banks, nor redeemable in specie or foreign exchange. They were simply worthless fiat money but their employment was one of the means used to force China to support the Japanese Armies and

the commercial undertakings of the Armies at no cost whatever to Japan.
 The military ycn were used by the Army for payment of goods and services,
 and their withdrawal was made by fiscal levy and the sale of goods and
 services by the Army.

It is a fact of the utmost importance and significance that it was planned by Japan to use in a wholesale way this system of military currency in connection with the schemes for the conquest of the southern areas. *Jan 1941* Mr. Liebert will show that as early as *Kanage?* January 1941 the Japanese Government directed the preparation and printing of military currency in the denominations of the countries intended to be conquered. He will produce secret documents which will show that stocks of this currency in denominations of guilders pesos and dollars were printed for use in defraying war expenditure of the Japanese Forces in the Dutch East Indies, Malaya, Borneo, Thailand, and the Philippines. These documents will directly implicate the accused Kaya, who at the time was the Finance Minister, and as such issued the necessary instructions. An *Bank of Japan* account book of the Bank of Japan will be produced which will show the amounts of this foreign currency received by the Bank from May 1941 onwards pursuant to the instructions contained in the documents referred to. *may 1941* In addition, as further proof, there will be produced the actual engravers' plates, together with some of the notes printed from these plates before December 1941.

It is submitted that this proof of the preparations made from January 1941 onwards for having available stocks of currency for use in those countries which were later to be the victim of Japan's aggression affords most striking and convincing evidence of the existence of the conspiracy charged against the Defendants.

Mr. Liebert will explain the steps taken by Japan to endeavour to overcome the difficulties under which she laboured in procuring the

foreign exchange necessary for obtaining from abroad the increased purchases of machinery and equipment, petroleum, metals, and other commodities essential to her policy of expanding the production of war materials. Drastic steps were taken to conserve and control all the available foreign exchange and to restrict imports, and every effort was made to stimulate exports and increase the local gold production.

So far as Japan's internal financial policy was concerned, (the importance of which to a programme of industrial expansion was vital), Mr. Liebert will show that this was provided for in the Fundamental Plans, and he will explain the measures adopted. One of these measures was the payment of subsidies, and it will be shown that the amount paid for this purpose increased from 10½ million yen in 1937 to the very large sum of over 207 million yen in 1941. Another measure employed was that of the National Policy Company to which reference has previously been made, and a detailed explanation of the distinctive features of these companies and the use made of them will be given by the witness.

It is probably unnecessary to add anything more to this outline of the evidence to be given by Mr. Liebert beyond saying that among other things he will deal with such important matters as the War and Navy Budgets and the monetary policies adopted by Japan.

It is submitted that the whole of the evidence to be given by Mr. Liebert will help to establish in a very convincing way the conspiracy to wage aggressive war alleged in the Indictment and the nature of the production and financial preparations made by Japan to further the plans of the conspirators.

GENERAL MILITARY PREPARATIONS.

Turning now to the evidence of General Military Preparations, it will be shown that from the time of the Mukden Incident in 1931 the size of

the Army was progressively expanded so that it might play its part in Japan's aggressive schemes. The expansion was not made suddenly or rapidly. It was of course necessary to move cautiously at first. Evidence obtained from the Japanese Government will be produced which will show the Army strength expansion from the year 1930. Until 1938 the number of divisions and Independent Brigades remained fairly constant, although the number of troops was increased from 250,000 in 1930 to 450,000 in 1937. This increase was achieved by increasing the strength of the formations, not by increasing their number. However in 1938, 1939, 1940 and 1941 the number of formations was also increased so that whereas in 1937 there were 17 divisions and 5 independent brigades, by the 1st January 1942 there were 56 divisions and 25 independent brigades, and the number of troops increased from 450,000 in 1937 to 1,350,000 by the 1st January 1941 and to 2,100,000 by the 1st January 1942.

Significant evidence of the aggressive intentions of Japan is obtained from the function and scope of the General Mobilization Law. This Law, which has already been produced in evidence as Court Exhibit No. 84, was adopted in 1938. The War Department's explanation of the measure and its objects will also be presented in evidence, and it will be seen that what was aimed at was nothing less than the control of the entire personal and material resources of the country. It is not too much to say that by the adoption of this Law Japan at one stroke became a totalitarian state and finally committed herself to a policy of aggression and expansion. It enabled Japan to mobilize educational institutions and propaganda organs in order to intensify the fighting spirit of the country. It provided for the control of production of all kinds, and also of the export and import of commodities. All financial

Troops

Mobil Law
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institutions and their powers and functions came within its scope, and also the control and regulation of industries and the employment of labour. Under its authority a large number of Ordinances, amounting to not less than 70, in addition to more than 300 rules and regulations were made. It was the foundation of almost all Japan's wartime laws.

control

It is suggested that it is of the utmost significance that as early as 1938 this drastic law should have been adopted and such all-embracing powers obtained. It is also suggested, indeed it is obvious, that without those powers the War preparations could not have been made.

I now wish to refer to the significant action taken when towards the end of the year 1940 the Total War Research Institute was established. The establishment of this Institute and its activities constitute, it is submitted, very strong and important evidence of Japan's plans and preparations for aggressive war. The Institute was established by an Imperial Ordinance made on the 30th September 1940. Article 1 of the Ordinance provided that the Institute should be under the administration of the Prime Minister and that it should be responsible for the basic research and study in regard to total war and the education and training of officials and others for total war. The president was required to be of Chokunin rank, that is to say he was to be appointed directly by the Emperor on the Prime Minister's recommendation, and he was expressly placed under the command of the Prime Minister. Councillors were to be appointed by Cabinet (subject to the Emperor's approval) from among the high-ranking officials of the various Ministries and persons of learning and experience.

*Sept. 30
1940
Total
Research
Institute*

Emperor

It should be mentioned that in the personnel records of the Defendant KIMURA (Court Exhibit No. 113 under the date 5th May 1941) the name of the Institute has been translated as "Total Strength War Research

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Institute", and in the personnel records of the Defendant HOSHINO (Court Exhibit No.109 under various dates from 1st October onwards) as "Overall War Strength Experimental Station", and in the personnel records of the Defendant SUZUKI (Court Exhibit No.126 under the date 21st December 1940) as "Total War Investigation Laboratory". It is possible that there are other similar variations in the translation of the name in documents which have been or will be produced in evidence.

The evidence will show that the Institute from 1941 until March 1944 and perhaps later was an important instrument in the formation, development and execution of the plans of the Defendants. At first the Defendant HOSHINO who was President of the Planning Board was the Acting President, but soon after its formation an experienced Army Officer, Iimura, holding the high rank of Lieutenant-General, was appointed President. It is interesting to observe that at the time of his appointment General Iimura held the appointment of Chief of Staff of the Kwantung Army. He took up his new appointment in January 1941, and from that time onward the activities of the Institute appear to have been conducted with great energy and every subject connected with the conduct of Total War fully investigated.

The Councillors of the Institute as provided in Article 7 of the Ordinance were appointed from among the high-ranking officials and comprised for the most part the Bureau Heads of the various Ministries. It should be mentioned that in May 1941 the Defendants HOSHINO and KIMURA became Councillors and that the Defendant SUZUKI had been appointed a Councillor soon after its formation, namely in December 1940.

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A list of the members of the Institute will be produced. This list includes high-ranking Navy and Army Officers, the Secretaries of some of the Ministries, and members of the staffs of corporations such as

the South Manchurian Railway Company Ltd., Mitsui Bussan Coy. Ltd., and the
Yokohama Specie Bank.

*SMRR
MITSUI
Yokohama Specie*

The evidence will show that every branch and department of the state's activities was represented among the student members by departmental officers holding important positions in the various Ministries. In addition there were representatives from the Military Staff College, Banks, Industrial Corporations, the Schools, the Manchukuo Government, the Chosen Government, the Taiwan Government, and the North China Area Army.

The Directors and other permanent Officers were assisted by Lecturers chosen from the various Ministries, and also from the Universities, from leaders of Industry and Commerce and from others who were experts in particular subjects. Particulars of the subjects upon which lectures were given and of the Lecturers will be submitted to the Tribunal and these will show the wide scope of subjects considered by the Institute and the high standing of the Lecturers. To mention only a few of the subjects, there were lectures on the fundamental principles of total national war, the mobilization of materials, food problems, the Steel Industry, Land and Sea Communications and Transport, Finance, Foreign Policy, the state of affairs in China, the United States, Great Britain, the Near East, Russia, Europe, Military and Naval tactics, the mobilization of munitions and various matters relating to the South Seas.

It will also be shown that it was the practice to undertake exercises or studies called "Table Top Manoeuvres". These exercises had as their background the situation (both international and domestic) which Japan was then facing or expected to face. The students organised Cabinets, Cabinet planning Boards, and other organisations, and examined the relations of Japan with America, Britain and other countries and also

the problems which would necessarily arise in case Japan were to move into the southwest Pacific. To give only one example, the basis of exercises which were held in August 1941 was (as might be expected) the hostilities which were to be launched such a short time afterwards against the United States, Britain and the Netherlands East Indies. The American proposals for the withdrawal of Japanese troops from French Indo-China and the deterioration of the relations between America and Japan are shown to have been accurately anticipated, as was the speeding up of the active preparations for hostilities made by Japan during November, and their completion, and the opening of war by a sudden attack in December.

The only other aspect of the Institute's activities which I will refer to at this stage is that dealing with the publications issued by the Institute. It will be shown that there were several publications from 1941 onwards. Nearly all of them are marked "Top Secret" or "Secret". As their titles will show they deal with a wide variety of subjects. Some of them deal with the investigations, and results of the Table Top Manoeuvres, and it is interesting to observe that for the purposes of secrecy the various nations are referred to by code words or letters. Others are reproductions of the work carried out by other Research Organisations such as the Japanese Manchurian political and Economic Research Institute. Other subjects are the establishment of Greater East Asia, Asiatic Relations, Economic Warfare, and Wartime Finance. Extracts from some of these publications have been presented to the Tribunal by my colleague the Associate Prosecutor for Russia. Further extracts will be produced in evidence by Mr. English. They will all demonstrate in a very striking way that Japan had committed herself to a policy of aggression and expansion, and that the Total War Research Institute played a very important part in the execution of this policy. The time it was established, the nature of its constitution, the

functions of the Prime Minister, the high status of the President and the Councillors, the fact that the first or acting President was the Defendant HOSHINO, then President of the Planning Board, and that he was followed by the Chief of Staff of the Kwantung Army, the comprehensive nature of the membership and the wide and important scope of its activities, and the fact that it continued to function for such a long period during the war -- all these facts furnish strong proof of Japan's aggressive intentions.

During the year 1941 Japan's naval and military preparations became, as might be expected, more definite and direct. The time was approaching when the aggression plans were to be executed and it was necessary for the special preparations to be made.

Intelligence Reports based on material held by the United States authorities prior to the 1st January 1945 and derived from Japanese sources will be produced which have, it is suggested, particular value. The Reports show for example that as early as January 1941 the Japanese made a preliminary aerial survey of precisely that section of the North-east Malayan Coast at Kota Bharu where the invasion force landed on the 8th December 1941. By July the necessary supplemental mapping of this area had been carried out and in October the Naval General Staff issued a detailed map of the area. The Reports also show that certain periods from the 7th July 1941 were devoted to preparation for the Philippine and Malayan operations and for the landing operations which were to be made in the Greater East Asia War. They also show that during August an extraordinary number of war games were held by the Navy in which two problems were studied, namely the details of a naval air attack at Pearl Harbour, and the establishment of a schedule of operations for the occupation of Malaya, Burma, the Netherlands East Indies, the Philippine

Islands, and the Solomon and Central Pacific Islands. Further it will be shown that by the 1st November the printing of the final text of the operation order for the attacks on Pearl Harbour and various other British, American, and Dutch Possessions had been begun. 111

There are many other important and significant matters contained in these Reports. They show that at a date some considerable time before the 10th November, a pamphlet entitled "Just read this and the War is won" was prepared, copies of which were issued to every Japanese soldier before embarkation. The text shows clearly the imminence of war against Great Britain, the United States and the Netherlands. There are also accounts of pre-war espionage in New Guinea and Australia. There are lists of publications of military significance published during 1940 and 1941 which have a direct relation to the operations which were commenced in December 1941. It is unnecessary at this stage to refer to them in detail. It is sufficient to say that an examination of the material contained in the Reports makes it difficult, if not impossible, to avoid the conclusion that by the end of October 1941 at the latest, the Japanese Government had positively committed itself to the waging of war against the United States, Great Britain and the Netherlands, and that by the 10th November the date of the commencement of the war had been decided and published in the secret operation orders. 111

Mention should also be made of certain laws which were enacted during the period of a few years prior to December 1941 and which were, it is submitted, part of the War preparations made by Japan. In April 1938 there was promulgated the National General Mobilization Law which has already been referred to and which was revised in 1939 and 1941. In March 1939 a law was passed for the purpose of amending and strengthening the Military Service Law, and in April 1941 this law was again revised. In

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February 1941 the New Peace Preservation Law was enacted, the principal object being the punishment of persons seeking to change the national policy. A little later the National Defense Security Law was adopted. There was already in force a Military Secret Protection Law designed to guard against the leakage of military secrets and also a Defense Resources Secrets Protection Law to safeguard the secrecy of the defence resources of the country. The National Defense Security law was intended to protect the highest secrets of the State relating to diplomatic, financial and economic matters. The importance of these laws in the consideration of the present subject lies, it is suggested, not so much in the details contained in them as in the fact that the enactment of such laws was a necessary part of the preparations for aggressive warfare.

MANDATED ISLANDS.

I will now refer to the evidence relating to the use made by Japan of the islands held by her under mandate, for the purpose of her schemes for attacking and dominating other countries. This aspect of the case has, it is suggested, special importance because of the clear illustration it gives of the manner in which Japan, to gain her ends, violated the Treaty obligations by which she was bound.

By the Versailles Treaty Germany surrendered all the overseas Possessions held by her including her islands in the Pacific Ocean north of the equator, and by Article 22 of the Covenant of the League of Nations it was decided that these islands should be held by various nations under mandate from the League. Accordingly, in 1920 all the former German Islands in the Pacific Ocean situated north of the Equator were by Mandate placed under the control of Japan. The United States was not a party to the Covenant, but by a separate Treaty made with Japan in 1922 that country confirmed the

Mandate.

It was expressly laid down in the Covenant, the Mandate, and the Treaty that the Islands should be held by the Mandatory Power as a sacred trust of civilisation for the benefit of the inhabitants, and that no naval or military bases should be established in the Islands nor should they be fortified.

Japan's Mandated Islands are in three groups - the Mariana Islands, the Caroline Islands, and the Marshall Islands. They comprise approximately 1400 islands and extend over a very large area of the northern Pacific. An examination of their position with respect to Japan, the Philippines, the Netherlands East Indies, New Guinea, and other countries, will show very clearly their strategic value to Japan if in violation of her obligations she decided to use them for the purposes of aggression against those countries.

Evidence to be adduced (consisting of excerpts from depositions made by twentyfive residents of the Islands) will show that for some years prior to December 1941 military and naval works of all kinds were carried out on an extensive scale at many suitable strategic points. The depositions will show that Naval and Military bases were established, that gun emplacements were made, and also Air strips and Signal and Wireless Stations, that searchlights were installed, concrete trenches and bomb shelter constructed, and large underground tanks made for the storage of provisions and ammunition, and barracks constructed for the accommodation of naval and military troops.

Evidence will also be given by Admiral Richardson at a later stage of the case with respect to the establishment by Japan prior to December 1941 of fortifications and naval and military bases and other installations in the Mandated Islands.

There will also be evidence that the utmost possible secrecy was

observed in connection with all these works and plans. Not only were camouflage and other methods of concealment of the actual works used, but for several years the Japanese Government adopted a deliberate policy of excluding from the Islands people belonging to other countries. This policy was adopted notwithstanding that when the Treaty was made in 1922 between the United States and Japan with respect to the mandated islands, an assurance was given by Japan to the United States that the usual comity would be extended to nationals and vessels of the United States in visiting the harbours and waters of the islands. The evidence which will be adduced with respect to this exclusion policy furnishes, it is submitted, proof of the illegality of the naval and military establishments which have been referred to and of the aggressive purposes to which it was intended they should be put.

A file of correspondence will be produced which, it is submitted establishes that from 1933 onwards the NYK - the well-known Japanese Shipping Company, whose ships carried passengers and goods to the Islands, acted under instructions from the South Seas Government Office and the Japanese Navy and Foreign Ministries in refusing to carry foreigners. Care was taken of course to ensure that these instructions and the exclusion policy itself should be kept secret and false reasons were given when applications for passages were rejected.

In addition to the evidence contained in the N.Y.K. correspondence file, evidence will be adduced to show that Japan refused or failed to grant to United States ships the privilege of Naval visits of courtesy to the Mandated Islands on a reciprocal basis. This evidence consists of communications which passed in 1936 between the Secretary of State in Washington and the United States Ambassador in Tokyo. These communications are contained in Court Exhibit No. 58 at pages 64 to 66. They show that the Ambassador pointed out to the Japanese Minister of Foreign Affairs that

the persistent suspicions that Japan was fortifying the Islands should be dispelled by a United States destroyer being invited by Japan to visit the Islands. Japan's refusal or failure to adopt this proposal in the face of the representations made by the Ambassador can lead only to the conclusion that the suspicions were justified.

It is pertinent to ask what legitimate reason there could be for this policy of exclusion of foreigners from the Islands. It is submitted that the evidence will show that the answer must be that there was none, and that the only reason was that Japan was violating her obligations by fortifying the Islands to further her illegal plans of aggression, and it was important for the success of those plans that her actions should not be known to other Nations.

GENERAL NAVAL PREPARATIONS.

The consideration of Japan's General Naval Preparations for War will be dealt with under two broad headings. Under the first will be shown the action taken by Japan to free herself from the limitations and restrictions imposed by the armament limitation treaties to which she was a party. Under the second will be shown the active war preparation measures taken by Japan after the year 1936, when she had succeeded in becoming free from those limitations and restrictions.

The evidence in relation to the negotiations and discussions which culminated in the denouncement of the Naval Limitation Treaty made at Washington in 1922 and in the refusal to renew the London Naval Treaty of 1930 has been already presented to the Tribunal and is contained in pages 1 to 63 of Court Exhibit No. 58, those pages being taken from Volume I of the publication "Papers relating to the Foreign Relations of the United States and Japan 1931-1941".

I propose to give an outline of these matters based on the papers contained in Court Exhibit No. 58. With a few exceptions it is not intended to read these papers into the Record either in this statement or later. It is thought that this method, in addition to saving time will enable the evidence with respect to the Naval Limitation Treaties and discussions to be more readily appreciated.

Soon after the First World War, that is to say at the Washington Conference of 1922, certain Treaties, including a Treaty for the limitation of Naval Armament, were concluded. Speaking generally, the reasons which brought about these Treaties, and the objects sought by them were, that there should be an end made to a ruinous naval race that was impeding recovery from the First World War, and that a sound basis for peace in the Pacific and the Far East should be established.

The position was, if I may say so, stated most clearly and effectively in a speech made in London in 1934 by Mr. Norman F. Davis, the Chairman of the United States Delegation to the discussions in 1934 which preceded Japan's denunciation of the 1930 London Naval Treaty. This is what Mr. Davis said. I am quoting from page 25 of Court Exhibit No. 58:

"SPEECH DELIVERED BY MR. NORMAN F. DAVIS AT LONDON ON DECEMBER 6, 1934 at a luncheon given by the Association of American Correspondents in London to the members of the American delegation in the preliminary naval conversations.

There seems to be some confusion of thought with regard to the matters at issue in the naval conversations, arising primarily from lack of clear understanding of the fundamental difference between "equality of security" and "equality of armaments".

The difficulties in the present conversations cannot be understood without appreciating what took place at the Conference held in Washington in 1922, which was the first successful effort ever made to reduce and

limit navies.

The object of that Conference was to put an end to a ruinous naval race that was impeding recovery from the World War, and to establish a sound basis for peace in the Pacific and the Far East.

It was at that time recognised and admitted by the representatives of Great Britain, Japan, and the United States, the three naval powers most directly concerned, that it was not possible to reach agreement through an academic discussion of what each country considered its needs to be or what it required to satisfy national pride.

Experience having indicated that a satisfactory solution of the problems of political stability and of relative naval strength could not be expected through a continuance of the naval race, there were sought agreements with regard to political questions together with naval questions, on a basis of which not only could political stability be attained and the naval race be brought to an end but naval strength be reduced. The principle adopted was that of equality of security.

In order that each nation might be warranted in subscribing to qualifications of its sovereign right to maintain such a Navy as it saw fit and at the same time feel reasonably ensured against aggression, there was concluded a group of agreements, the purpose of which was to remove the causes and the incentive for aggression by establishing a collective system for co-operation among the nations concerned in promoting and maintaining conditions of peace in the Pacific and the Far East. These agreements established an equilibrium of political and economic rights and made possible naval limitation on the basis of essential equality of security. The Washington Conference was a success because the nations represented there approached in a broad and practical way the problems that confronted them. No nation attempted to impose its will on the others, but each was willing to contribute something substantial to the

achievement of the ends desired. At that time the United States had actually under construction tonnage which would have given her naval primacy but which in the interests of international limitation of armaments and a generally agreed upon policy of cooperative effort was voluntarily relinquished.

The United States does not believe and does not contend that any Power should against its will enter into or renew a treaty the provisions of which it does not consider advantageous to itself or beneficial to the world in general. It would, however, greatly regret and regard as most unfortunate the destruction of this system of naval limitation which has proved generally beneficial and which has not jeopardized the security of any nation. We do not question, in fact we affirm the inherent right of any and every Power to equality of security. This, I am sure we have made abundantly plain. The essence of the Washington treaty system was equality of security under conditions of cooperation. The provisions of the treaties negotiated and agreed upon in 1922 were worked out by leading statesmen of nine Powers assisted by a large number of political and technical experts, working over a period of several months. They were agreed upon and ratified by nine governments and were later adhered to by five others. The naval treaty was the work of five principal naval Powers, Japan, Great Britain, France, Italy, and the United States. None of these could have accepted and agreed to the provisions of that treaty had it felt that its national security was thereby menaced or impaired. Any basic alteration in this system must of necessity alter the security thus established.

The fundamental issue in the naval conversations now in progress is essentially as follows: Is the equilibrium that was established by the system worked out in the Washington treaties to be continued or is it to be

upset. The American Government stands for continuance. The only alternative that has so far been suggested is that of a new naval agreement based on the principle of equality in naval armaments, a principle which if adopted and applied would not give equality of security.

The United States favors a progressive reduction in naval armaments in accordance with the principles established in both the Washington and London Treaties, and, under instructions from the President, I have proposed a substantial all-around reduction in naval armaments to be effected in such a way as not to alter the relative strengths or to jeopardize the security of the participating nations as established by these treaties. Failing agreement upon any reduction, I have made known that we would nevertheless be prepared to abide by the Washington Treaty and to renew the London Treaty with only such modifications in detail as circumstances require and as meet the wholehearted support of the other parties thereto.

We believe that only by maintenance of the system of equality of security, with proportionate reductions downward of naval strength if possible can there be maintained the substantial foundation for security and peace which has thus far been laid. We believe that the course taken in 1922 was in the right direction; that the supplementary agreements made in 1930 were an improvement; that the system thus established has been of advantage to all concerned; and that abandonment now of the principles involved would lead to conditions of insecurity, of international suspicion, and of costly competition, with no real advantage to any nation. "

The terms of the 1922 Naval Treaty referred to by Mr. Davis in the statement I have just quoted (which is already in evidence as Court Exhibit No. 34) and to which as has been stated Japan was a party, provided for a limitation and reduction of naval armament based on the comparative defensive needs of the Powers concerned. It stood out as a milestone in the

progress of civilisation as being the first important agreement of its kind.
By the Treaty it was agreed:-

- (a) To scrap a number of warships
- (b) To limit the construction and acquisition of warships exceeding specified displacements, and the calibre of the guns to be carried by them
- (c) To communicate to each other information on any new warships proposed to be laid down.

It was also agreed that the duration of the Treaty should be until the 31st December 1936, and it was provided that in case none of the contracting Powers should give notice two years before that date (that is before 31st December 1934) of its intention to terminate the Treaty, it should continue in force until the expiration of two years from the date on which notice of termination should be given.

It was also provided that within one year after a notice of termination was given the contracting Powers should meet in conference.

The next step in the movement towards World Naval Limitation was the London Naval Treaty of 1930. On April 22nd of that year at a Conference held in London a further Treaty for the Limitation and Reduction of Naval Armaments was made by the same Powers as were parties to the Washington Naval Treaty of 1922. This Treaty provided for a limitation of the tonnage of certain types of cruisers, destroyers and submarines, and in substance was a development of the principles laid down in the Washington Treaty. It contained a provision that the Treaty should expire on the 31st December 1936, the same date as the expiration of the Washington Treaty.

It will be shown that by the year 1930 the Naval Leaders of Japan were chafing under the limitations and restrictions imposed by the Washington Treaty and the evidence will show that they would have wrecked the 1930

Conference if they had not been overruled by the Japanese Government of which Hamaguchi was Premier.

Peremptory instructions had to be sent to the Delegation requiring the members to accept the limitations to which Great Britain and the United States had agreed. There will be evidence to show that the militarists had aroused strong opposition to the ratification of the Treaty, but eventually the decision in favour of ratification was made. It should be pointed out, however, that as has been shown in the evidence given before the Tribunal by the witness Shidehara (at pages 1323 and 1346 of the Record), in consequence of the strong feeling aroused against the supporters of the Treaty, Premier Hamaguchi was assassinated.

It is suggested that the matters which occurred in connection with the completion of the Treaty, and the events which followed its completion possess great significance and are particularly important because of the light they throw on the subsequent actions of the Naval and Military leaders and of those who supported their plans for conquest.

As the London Treaty expressly provided that there should be a conference in 1935 to frame a new Treaty, Great Britain in May 1934 proposed to the American and Japanese Governments that they should send representatives to London to carry on preliminary and exploratory conversations. This proposal was accepted, but while Great Britain and America held discussions in June and July, the Japanese delegation did not reach London until October. The account of these discussions contained in Court Exhibit No.58 shows that they were unsuccessful, and, on 29th December 1934, Japan gave notice in accordance with Article 23 of the Washington Treaty of its intention to terminate that Treaty as from 31st December 1936. The attitude adopted by Japan was, shortly, a refusal to continue the ratio system on which the existing Treaties were based, and in lieu thereof Japan proposed that there

should be a common upper limit which should in no case be exceeded, but within which limit each power would be free to equip itself in the manner and to the extent which it deemed necessary.

In October 1935 Great Britain proposed to the other Powers that (in accordance with the provisions for a Conference contained in the Washington and London Treaties) there should be a Conference in London in December with a view to the conclusion of a Treaty to take the place of those two Treaties. The proposal was accepted and the Conference was held.

The attitude of the United States (as well as that of Great Britain) is so clearly set forth in the speech made by Mr. Davis on behalf of the American delegation at the first plenary session of the Conference that I think it advisable to read the speech in full. It is contained in Court Exhibit No. 58 commencing at Page 38 and is as follows:-

"SPEECH DELIVERED BY MR. NORMAN H. DAVIS, CHAIRMAN OF THE AMERICAN DELEGATION, AT THE FIRST PLENARY SESSION, DECEMBER 9, 1935.

Mr. Chairman:

In searching for appropriate words in which to express most clearly the attitude and aspirations of the American Government and people in respect to naval disarmament, I find that I cannot improve upon the letter of guidance which the President addressed to me fourteen months ago when I sailed for London to participate in preliminary conversations between the Governments of the United Kingdom, Japan and the United States. That letter, written on October 5th, 1934, was as follows:

"In asking you to return to London to continue and expand the conversations begun last June preparatory to the Naval Conference in 1935, I am fully aware of the gravity of the problems before you and your British and Japanese colleagues. The object of next year's Conference is "to frame a new Treaty to replace and carry out the purposes of the present Treaty".

The purposes themselves are "to prevent the dangers and to reduce the burdens inherent in competitive armament" and "to carry forward the work begun by the Washington Naval Conference and to facilitate progressive realization of general limitation and reduction of armament".

"The Washington Naval Conference of 1922 brought to the world the first important voluntary agreement for limitation and reduction of armament. It stands out as a milestone in civilization.

"It was supplemented by the London Naval Treaty of 1930, which recognized the underlying thought that the good work begun should be progressive - in other words, that further limitation and reduction should be sought.

"Today the United States adheres to that goal. That must be our first consideration.

"The Washington and London Treaties were not mere mathematical formulas. The limitations fixed on the relative Naval Forces were based on the comparative defensive needs of the Powers concerned; they did not involve the sacrifice of any vital interests on the part of their participants; they left the relative security of the great Naval Powers unimpaired.

"The abandonment of these Treaties would throw the principle of relative security wholly out of balance; it would result in competitive Naval building, the consequence of which no one can foretell.

"I ask you, therefore, at the first opportunity to propose to the British and Japanese a substantial proportional reduction in the present Naval levels. I suggest a total tonnage reduction of twenty percent below existing Treaty tonnage. If it is not possible to agree on this percentage, please seek from the British and Japanese a lesser reduction - fifteen percent or ten percent or five percent. The United States must adhere to the high purpose of progressive reduction. It will be a heartening thing to the people of the world if you and your colleagues can attain this end.

"Only if all else fails should you seek to secure agreement providing for the maintenance and extension of existing Treaties over as long a period as possible.

"I am compelled to make one other point clear. I cannot approve, nor would I be willing to submit to the Senate of the United States any new Treaty calling for larger Navies. Governments impelled by common sense and the good of humanity ought to seek Treaties reducing armaments; they have no right to seek Treaties increasing armaments.

"Excessive armaments are in themselves conducive to those fears and suspicions which breed war. Competition in armament is a still greater menace. The world would rightly reproach Great Britain, Japan and the United States if we moved against the current of progressive thought. We three Nations, the principal Naval Powers, have nothing to fear from one another. We cannot escape our responsibilities, joint and several, for world peace and recovery.

"I am convinced that if the basic principle of continued naval limitation with progressive reduction can be adhered to this year and the next, the technicalities of ship tonnage, of ship classes, of gun calibers and of other weapons, can be solved by friendly conference. I earnestly hope that France and Italy, which are full parties to the Washington Treaty, will see their way to participate fully in our efforts to achieve further naval limitation and reduction.

"The important matter to keep constantly before your eyes is the principle of reduction - the maintenance of one of the greatest achievements of friendly relations between nations.

"Sincerely yours,

(signed)

Franklin D. Roosevelt "

The views set forth in this letter* are still expressive of what the United States would like to see accomplished. Therein, there has been no change. But it would be unrealistic not to recognize that the situation existing at the time the letter was written has undergone considerable modification. The conversations last year were based on the London Naval Treaty, due to expire by automatic limitation at the end of 1936. Since then the Washington Treaty has been denounced and will expire at the close of next year; certain fundamental principles on which both treaties rest have been questioned; in the wake of the political instability in various parts of the world, there is a tendency to increase rather than to reduce naval armaments; and the divergences which have developed are such as to increase the difficulties which confront us in seeking to reach agreement for a comprehensive naval limitation.

The first step towards overcoming these difficulties is to face them frankly. The next step is to concentrate on those fundamental elements of mutual interest and accord which brought us together here and which unite us, despite the real differences that have developed.

Our nations are apparently at one in desiring the continuance of naval limitation and reduction by international treaty - a principle adopted for the first time in history in 1922 and successful for a dozen years beyond any means of measurement. At the time of the Washington Conference we were still in the shadow of the World War. War weary peoples who had experienced the consequences of strife and discord were longing for peace and recovery and praying for an era of stability and goodwill. The Washington Treaties and the later London Treaty were in harmony with this profound wish. Through them, mankind was freed from the threatening nightmare of a race in naval armaments. Why should we now abandon the invaluable mutual benefits conferred on the participating peoples by the Naval Treaties, when the world is just beginning to emerge from the economic depression which has held it in

its grip for the past six years and when it is all the more necessary not further to disturb international relationships and retard or disrupt economic recovery through a naval race? No Nation desires to enter such a race - no Government can afford the responsibility for inaugurating it. Our task during the coming weeks is to make it unnecessary.

One means of accomplishing this would be to agree upon a renewal of existing treaties with such modifications as circumstances may require. Failing this we should at any rate make every endeavor, through a frank and friendly exchange of views, to discover other paths to mutual understanding, which would at least prevent a naval race and avoid a disturbance of the equilibrium and thus pave the way for a later more permanent and comprehensive treaty. Whatever our approach, our objective must be to insure that in the difficult and trying years ahead of us the essential balance between our fleets, which during the past years has proved such a guarantee of peace and stability, should be maintained by means of mutual agreement rather than by expensive and dangerous competition which can profit no one but must harm all.

On behalf of my Government I declare emphatically that the United States will not take the initiative in naval competition. We want no naval increase. We want limitation and reduction. Our present building program, which is essentially one of replacement, is consistent with this desire. For ten years we ceased naval construction. Under our present plans the strengths allotted to us by the London Treaty as of the end of 1936 will not be attained until 1942. We have no wish to exceed those Treaty limits. I may say also that the United States, which is now definitely on the way to recovery from the severe depression through which it has been going, and from which no nation has escaped, is most anxious to devote its energies and material resources to the upbuilding of the country.

However great the difficulties that confront us in this Conference, we are here to help remove them. With good will and patience on the part of all we can find a mutually beneficial solution. I pledge the American Delegation's full co-operation toward this end. "

The attitude of Japan at the Conference, and indeed before it too

place, was in striking contrast to that of the United States and Britain as set forth in the speech I have just read and as followed in the course of the discussions. The evidence will show that the Japanese Navy Ministry in October 1934 issued directives to various Government offices as to the propaganda measures to be taken to ensure that the Washington and London Treaties would be abrogated. Judging by what took place at the Conference the propaganda was successful. Japan maintained the same attitude as she had at the 1934 discussions and despite the efforts made by Britain and America she refused to agree to any renewal of the limitations accepted by the Powers under the 1922 and 1930 Treaties, and persisted in her endeavour to have adopted in their place the principle of the "common upper limit". On the other Powers refusing to agree to Japan's proposals she took the drastic and significant step of withdrawing from the Conference.

A Treaty was concluded on 25th March 1936 by the United States, France and Britain, but it is necessary for the present purposes to consider only a few of its terms. These will be referred to later.

The next matter to be mentioned in this outline of Naval Limitation negotiations is the refusal by Japan to agree to a limitation of gun calibre for battleships.

Japan, having refused to subscribe to the 1936 Naval Treaty, the Governments of Great Britain and the United States endeavoured to ascertain from Japan whether she was prepared to accept the limitation of 14 inches as the gun calibre of capital ships. This limitation was provided for in the Treaty, but it was made subject to the condition that if any of the Washington Treaty Powers failed to agree to it before 1st April 1937 the maximum calibre should remain at 16 inches. In March 1937 Great Britain endeavoured to obtain Japan's agreement to this limitation, but was unsuccessful. In June the United States Government made a further effort to ob-

-tain Japan's agreement but this was also unsuccessful.

In 1938 Japan gave still further evidence of her fixed determination not to be restrained in her plans for Naval expansion and (it is submitted) of her aggressive policy when she rejected American, British and French proposals for the reciprocal exchange of naval construction information. The Naval Treaty of 1936 gave the American Government a right of escalation in the event of naval construction which was not in conformity with Treaty limits being undertaken by any Power not a party to the Treaty. In February 1938 the United States informed Japan that there were persistent and cumulative reports which in the absence of explicit assurances from the Japanese Government that they were ill-founded must be deemed to be authentic. These reports were to the effect that Japan had undertaken or intended to undertake the construction of capital ships and cruisers not in conformity with the limits. It therefore gave notice to the Japanese Government that unless a satisfactory assurance were obtained, it would exercise its right of escalation. To this communication a reply was received declining to give the required assurance.

It is submitted that the Naval Limitation matters which have been referred to are of outstanding importance in establishing the aggressive character of the policy of those who controlled Japan. In 1922 Japan was a willing party to the Treaty which had such a salutary and restraining effect on naval construction. By 1930 influential Naval leaders and others were sufficiently powerful to make a serious attempt to reverse the policy of naval limitation which had been agreed to in 1922. Nevertheless the Japanese Government was successful in confirming that policy. By 1934 however, the situation had changed, and the advocates of unrestricted expansion had achieved success. Notwithstanding strong efforts made by Great Britain and the United States to secure her adherence to a contin-

-uance and an extension of those Treaties she denounced the 1922 Treaty. In 1936 she withdrew from the London Naval Conference, and later refused to adhere to the Treaty which resulted from that Conference. In 1937 she refused to accept the 14 inch gun calibre limitation. In 1938 she refused to agree to the reciprocal exchange of naval construction information. These were serious steps for a nation to take and they compel the question What happened after 1922 to cause this change of attitude?

It is submitted that the answer to this question is that by 1930 there had come into existence a conspiracy having as its object the aggressive expansion of Japan and the domination by her of a large part of the World; and that the conspirators regarded it as essential for the success of their plans that Japan should be free from the restraints of the Limitation Treaties; and that by 1934 they had succeeded in imposing their will on the country, and thereafter their power never slackened. In this connection it will be remembered that in September 1931 there occurred the Mukden Incident- the decisive step in the plan for the conquest of Manchuria, and, following that Incident, Japan rejected an offer of mediation, and refused to accept the recommendations of the Lytton Report. It will also be remembered that she then took the extreme step of withdrawing from the League of Nations.

Turning now to the measures taken after the expiration of the Washington and London Treaties in 1936, the principal evidence on this part of the case will be given by Admiral Richardson. The evidence of this witness will relate not only to Japan's Naval preparations for War, but also to the attack against Pearl Harbour and other matters which come within the scope of a part of the case which will be presented later, namely that dealing with Japan's relations with the United States and Britain. It has been decided after careful consideration that instead

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of Admiral Richardson giving evidence at this stage on both subjects, or of his being called twice to the witness stand and testifying separately on each phase, the proper and more convenient course will be for him to give the whole of his evidence at the one time in the later phase of the case.

Although Admiral Richardson's evidence will not be given at this stage, it will I think be convenient if I refer briefly now to some of the matters relating to Japan's Naval Preparations for War which will be included in his evidence. I have already explained that he will give additional evidence in support of the charge relating to Japan's illegal fortification of the Mandated Islands and the use made of the fortifications and bases established in those Islands for the purpose of the attacks on Pearl Harbour and other places in December 1941. In addition he will testify as to Japanese naval construction in the years leading up to the outbreak of the Pacific War, with special reference to the increase made in these years in her aircraft carrier strength, an increase which played such a vital part in the Pearl Harbour operation. Admiral Richardson will also testify as to use made by Japan of naval espionage in her War preparations, and he will show in the evidence he will give with regard to the plans for the attack against Pearl Harbour the use Japan was able to make of the results of the careful naval preparations which for several years she had been making with so much care and secrecy.

If it please the Tribunal that concludes this Opening Statement, and I will now proceed to present the evidence relating to Japan's Production and Financial Preparations for War.
