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PREMIER GENERAL KUNIAKI KOISO'S ADDRESS AT THE EIGHTY-SIXTH SESSION OF THE DIET, JANUARY 21, 1945.

I am very happy to have this opportunity to express the views and convictions of the Government before the eighty-sixth session of the Imperial Diet.

At the opening ceremony the other day, His Imperial Majesty specially granted a gracious Rescript which has inspired us deeply. It is my desire together with you gentlemen, in humble response to the Imperial Will, to make every exertion, by concentrating the total strength of our one hundred million people, to expand and strengthen even more our fighting power and, by removing and conquering all difficulties, quickly secure our war aims, thereby setting at ease the August Mind of His Majesty.

Gentlemen, the war situation is developing with ever-increasing tempo. Today our country is faced with the gravest situation since the outbreak of the war of greater East Asia and has truly come to stand at the critical point of its rise or fall.

Last fall, our Imperial forces intercepted the offensive attempt of the enemy in waters off Taiwan and off the Philippines and achieved brilliant victories. Yet even while suffering great losses, the enemy, with the aid of abundant material resources, came to land on the island of Leyte, then the island of Mindoro and finally today on the island of Luzon where a serious situation has been created by the enemy's landing of several army corps.

Since the enemy's advance to the Philippines, our forces, rising to the full heights of their fighting spirit to protect the national polity, have all of them become a special attack force and are carrying out furious attacks which only the men of the Imperial forces are capable of making, subjecting enemy war vessels to deadly attacks at the cost of their lives, or breaking through into enemy airfields or making furious and unflinching raids into enemy positions. I cannot help but be deeply inspired by these brilliant deeds of the special attack corps and of our Imperial troops in general who, feeling deep in their hearts the true essence of the meaning of protecting the national polity, are manifesting the spirit of undying patriotism and loyalty with their very lives.

Taking this opportunity, it is my desire, together with you gentlemen, to pay my heartfelt respect and gratitude to the officers and men who are valiantly fighting in the various areas of greater East Asia, to offer in humble sincerity my respect to those many loyal heroes who have fallen in battle in the defence of our country and to express my sincere sympathy to our wounded and sick officers and men and to those

families who have lost their loved ones in the nation's cause. At the same time, I wish to say, in connection with the work of giving aid to our service-men and their families, that it is our desire in the light of the present war situation, first of all to carry out various measures to reinforce these activities, to take the necessary steps to have the State bare the burden of caring for the children of our fallen heroes and to strengthen further the military relief work as well as other undertakings connected with aid to servicemen, so that our officers and men at the front may serve without any feeling of anxiety about home.

Reviewing the war situation at its present stage, the military developments in the Pacific theatre are in a state which does not necessarily permit of optimism. However, the greatly extended supply lines of the enemy on all fronts are exposed to our attacks and in this fact, I believe, is to be found our golden opportunity to grasp victory. Moreover, the operations carried out by our forces on the China continent since last summer have wiped out important enemy positions and bases in Central and South China, leaving the United States air force in China no room for any effective action, and, going even further, opened up a land route linking South China and French Indo-China. Furthermore, even in the northern Burma frontier area, our forces are continuing their gallant fight against the enemy attempts to re-capture Burma. Our forces which are assigned to guard our northern ramparts are manifesting such strength as to offer our American and British enemies no opportunity for aggressive moves. All this goes to show that our strategic position for the defence of East Asia is exceedingly staunch.

Now indeed is the time for us, the one hundred million, to give vent anew to our flaming ardor and following in the footsteps of the valiant men of the special attack corps demonstrate even more our spirit of sure victory in the field of production. The Government on their part are determined to exert their utmost efforts speedily to carry out the measures for victory and, with all the people as one and by overcoming all difficulties, devote ourselves to the expansion of our fighting power. Now is the time when the home front must fully carry out its duties and responsibilities and thus respond to the heroic fighting of our officers and men at the front. I believe that the result of our total unstinting efforts today at this juncture will eventually not only destroy the enemy in the Philippines area but together with our officers and men in Rabaul, Bougainville and other places become crystallized into decisive fighting power which would solidify the basis for turning the tide of the war.

The fundamental keynote of the victory measures which the Government are intending to take in order to overcome this serious war situation is directed toward the goal of increasing to an unparalleled extent our fighting strength through the speedy expansion of the existing national power and thereby establish a structure for the prosecution of the war to victory and also of executing forcefully and unremittingly the various measures for the purpose. However, the fundamental attitude of the Government in the administration of State affairs in the face of the present decisive war situation

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does not lie in being concerned with the small ups and downs of the war situation, but in realizing the single aim of forcefully conducting political affairs in order to march forward at all times on the high road to victory.

To strengthen the administration of State affairs, the Government intend both through the central and

local organs to effect a comprehensive and integrated management of administrative functions and take steps which are even more appropriate than any taken before and at the same time leave nothing undone to permit the unified prosecution of military and civil measures for purposes of defence and increase in fighting strength by rendering still closer the contact between the chairmen of the local Administrative Councils and the local Army and Navy authorities.

Recently the enemy has begun to raid with frequency our capital and other important cities in our homeland. Especially the desecration of the sacred precincts at Ise the other day was truly an outrage which aroused the profound indignation of our people. However, the damage caused by the raid was light and it is rather a matter of great encouragement that as a result the people, their morale heightened and intensified, are manifesting a remarkable fighting spirit in air defence and production.

Against the enemy air raids which may be expected henceforth to be repeated stubbornly, the Government are taking various necessary steps to effect the speedy strengthening and completion of the protective facilities for factories and other establishments in order to ensure that nothing would obstruct the prosecution of production increase during air raids. At the same time, it is our intention to carry out even more forcefully the dispersion of people and buildings from the large cities and the completion of air defence and other protective facilities, so that no matter how intense the enemy raids should become henceforward there will be an air defence structure so complete and so strong that the military, the Government and the people—united as one—will never succumb to them. Today when our homeland has become a field of battle for the defence of our country, I strongly believe that we, the one hundred million, must together intensify our fighting spirit for the protection of our land and, no matter when or where the enemy may strike, be ever-determined to carry out our duty of defending our soil; that we are living our daily lives as befitting the battlefield demonstrates a cheerful fighting spirit in production and in defence against air raids.

Next, in considering the increase of munitions production, the one thing which the officers and men fighting on the front lines so strongly ask of the home front is the great expansion in the production of superior air-craft. The deadly never-miss attacks of the special attack corps against enemy warships and transports and their destruction are possible only with the expanded production of aircraft. In addition to aircraft, the Government are determined to effect the increase in the production of steel, light metals and liquid fuel in order to establish the basis of our fighting power. At the same time, they are also determined to assist in further production on the continent and to devote every effort to mobilizing and strengthening all our scientific and technical powers to create and improve the quality and effective-

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ness of the various weapons for decisive warfare. Furthermore, to effect the unified strengthening of production and defence, the Government are considering at this time the speedy dispersion of munitions factories and the removal of facilities to the underground under carefully conceived plans and also, in order to effect the complete conversion of labour and materials into fighting power, to the expediting of further readjustments of industrial enterprises. In executing these plans, it is the Government's intention to establish these industries as much as possible on a locally and collectively self-sustaining basis.

It is needless for me to state at this time that security in foodstuffs stabilizes the people's livelihood and constitutes the basis of effecting the increase of fighting power. In view of the increase in food requirements henceforward and in view of the transportation conditions, it is our intention to make every effort toward unparalleled increase in national self-sufficiency by carrying out emergency production increase of rice and wheat as a matter of course, as well as sweet potatoes and other products in accordance with the conditions obtainable in the various localities and by overcoming all difficulties.

The fundamental basis of securing and expanding the nation's fighting power which I have just taken up lies, in the last analysis, in the labour power of the people. By mobilizing the entire nation without exception and by demonstrating labour efficiency on the highest plane, then for the first time can this objective be attained. In other words, with respect to the mobilization and supervision of labour, the Government intend to reinforce their unification and co-ordination and effect their efficient reform and improvement. Above all, in the successful carrying out of production under the present situation, our students occupy a position of vital importance, and in view of the fact that they have, at the same time, the important task of shouldering the nation tomorrow, it is our desire to realize fundamentally and effectively the principle of the unity of action and learning and adopt such means as to permit them to serve the country without anxiety. Furthermore, in regard to the various necessary labour matters, we intend, in the case of today, to effect the replenishment of labour through total manpower mobilization in the localities concerned and especially to carry out actively the organic and flexible management of labour affairs, thereby providing strong guidance to allow of systematic means for voluntary labour service on the part of government officials and people in general and realize a condition in which the entire nation will universally be engaged at work.

With regard to the expansion of maritime transportation, the Government intend to make every effort to accelerate the construction of new ships by surmounting all difficulties and also to secure and operate efficiently at least the present existing shipping. Moreover, to the men of the merchant marine who are manning their jobs day and night with a self-sacrificing fighting spirit regardless of the many dangers of enemy attacks, I wish to express my sincere thanks, and in regard to their treatment it is our aim to make further appropriate improvements. Furthermore, to make more

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effective the transfer of maritime cargo transport to land transport, the Government have decided to strengthen the facilities of the important trunk lines of the homeland and Chosen and thereby expand the land transportation capacity between Japan, Manchoukuo and China, and especially in readiness against emergencies to carry out speedily the steps to establish the management of land transportation on a footing corresponding to that appropriate in war zones.

Lastly, concerning the improvement of the treatment of our fellow people in Chosen and Taiwan which we promised to consider at the previous session of the Diet, the Government have already taken various appropriate measures concerning travel, transfer of register, school entrance, securing of occupation and the handing of labour to or in Japan proper and have taken several steps forward to abolish any barriers between our homeland and over-seas territories. Furthermore, even in regard to

improvement in political treatment which has long been the desire of our fellow people in both these territories, the Government, in recognition of the fact that it is a State demand under the present situation for the solidification of our one hundred million people to complete a structure of oneness between our homeland and over-seas territories and to settle the matter speedily at this time, have set up an inquiry commission to give the matter careful study as to the method and the time and at the present moment concrete plans are being drawn up. Fortunately, we have your co-operation and we are desirous of seeing its early realization.

In order to carry out forcefully the various measures which I have just stated, all of us, both of the Government and of the public at large, must squarely face the seriousness of the present situation. The Government on their part strongly desire to take all necessary steps, as is only natural, to realize such measures as would enable all our people to devote themselves to their occupations without any feeling of anxiety. The Government earnestly hope that the people too would manifest the spirit of protecting the national polity in their daily life and work, establish their sense of justice even more firmly in society, enhance their morale and by giving full vent to their fighting spirit march forward toward the complete consummation of their responsibilities.

The present war in its true nature is an intense struggle of life or death. Whether or not we could eternally safeguard and maintain the national polity of our country depends upon the single issue whether or not the results of the total strength of our people could win through this war. The enemy is discussing plans for a post-war international organization and regarding our country he is excluding any compromise and blatantly talking of unconditional surrender, planning on the extinction of Japan. Such daydreams are of course nothing more than a laughing matter. But the way to protect eternally the polity of our Empire lies only in the efforts of the entire nation to destroy all obstacles and to concentrate their all, material and spiritual, to the consummation of the aims of this our sacred war. The Government, therefore, on the basis of the aims which I have set forth, in-

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tend forthrightly and forcefully to execute the various decisive war measures, while conforming to the military operations and thereby firmly establish a position which will enable us to grasp victory in arms and, by a forceful mobile management of administration as it functions centrally and locally, to effect their speedy realization. The greedy and sinister ambitions of the American and British peoples for world hegemony which they conceal under the cloak of peace are being revealed in the clear light of day with the development of the war. Already the areas which they have occupied they have exposed serious difference between them over the division of the spoils which is gradually being intensified. In contrast to this the various countries of East Asia, under their common ideal of East Asian renaissance, are cementing more and more their solidarity against the aggressive advance of the enemy and have risen resolutely to defend and preserve East Asia at all costs. The concept of justice—common prosperity and well being—which has been crystallized in the Joint Declaration of the Greater East Asiatic Nations is outside of the pale of comparison with the aggressive war aims of the United States and Britain which are, to say the least, delusive. To the nations and peoples of greater East Asia who are manifesting such a fighting spirit, the Japanese Government express their sincere respect. The Government also express their determination, in accordance with the common beliefs and resolve of the East Asiatic nations as clarified in the Joint Declaration, to consummate this

common war for the liberation and renaissance of greater East Asia and to march forward toward the realization of the common concepts set forth in the five principles.

Our allies, Germany and Italy, meeting the enemy today in their home soil, are with intensified morale withstanding the desperate attacks of the enemy and inflicting severe losses. Especially the people of Germany, under daily air attacks and despite the great hardships in their daily life, are not submitting in the least but rather are strengthening their solidarity even more and exerting their highest efforts for the defence of their fatherland. Resolutely carrying out the complete mobilization of their national power and the recasting of their munitions production they have since the middle of last December turned to a big offensive along a wide front on their western lines and are at present destroying an American army of much more than 100,000 men. With expectations that the day is not far off when the German people under their Fuehrer Hitler will further demonstrate their explosive power, inflict severe blows on the enemy and make it impossible for him to rise again, I pray for the brave and good fight of the German people in the battles ahead.

Thus in the face of the iron solidarity of the countries of East Asia which have risen to defend their homelands and the brilliant counter-offensive of our German ally the enemy has been compelled to split his strength to the fronts in the East and the West and has come to expose his supplies to serious dangers. Even enemy America which boasts of material abundance has reached an impasse in her established plans by reason of pressing shortages in her manpower resources and is experiencing deficiencies in her war production.

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Now she is admitting to her people that the war situation does not necessarily permit of optimism and that unless an unparalleled production increase is realized it would be impossible to shorten the war. The situation in that country is such that it is now in the process of establishing the National Service Act.

The war has thus reached a decisive stage where it has become a test of endurance between the enemy and ourselves and will, henceforth, become even more aggravated. I believe that final victory will be won by those who, overcoming all hardships and difficulties whatever they may be and continuing to maintain a spirit of sure victory without faltering before any critical situation, will fight to the very last. In response to the hard and gallant fighting of our officers and men at the front, the one hundred million people must steadfastly uphold the spirit of safeguarding our Imperial polity and by overcoming any hardship or difficulty make their utmost exertions to increase fighting power and defend their soil, thus speedily attaining the aims of this sacred war and thereby setting at ease the August Mind of His Majesty.

In closing, I earnestly hope that you will, upon careful consideration, give your speedy approval to the various bills which the Government have presented to you.

FOREIGN MINISTER MAMORU SHIGHEMITSU'S ADDRESS AT
THE EIGHTY-SIXTH SESSION OF THE DIET,
JANUARY 21, 1945

I consider it a great honour to have been afforded an opportunity to address this session of the Diet and to state my views concerning the foreign policy of Japan.

As the world war grows daily intensified to white heat, all the belligerent Powers are collecting every ounce of their national strength to pour it into the fighting front. Both in the East and in the West the situation has reached the climax in which we all feel, whether in the first line or at the home front, that this war has truly entered upon the decisive stage, while the enemy, who has internally many weak spots, is feverishly trying to bring the hostilities to an early end by lurching desperate counter-moves one after another.

As regards the military phase, we have absolute confidence in the wise planning and brave fighting of our Army and Navy, so that we are neither elated nor depressed unduly over the changing aspects of the situation. The Imperial forces are fighting valiantly everywhere. The very spirit of our special attack corps is the spirit not only of all our fighting forces but of our entire nation. We have not the slightest doubt as to our final victory.

The unity between Japan and her allies remains ever firm, and together with them we will fight this war to the finish. Having successfully surmounted innumerable difficulties, Germany is continuing her gallant struggle. The general offensive campaign against Germany from east, west and south which was decided upon at the Teheran Conference has been relentlessly carried on

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for over a year in parallel with every imaginable kind of political intrigues and machinations. Moreover, it is the avowed intention of her enemy to make it impossible for Germany to rise again, by dividing up her territory, by deporting her people, and by altering her political structure, and thus by obliterating her together with Japan, forever as a great Power. Indeed, Germany faced a crucial hour on July 20, last year, when an attempt was made to assassinate the Fuehrer. Providentially, however, the evil design did not materialize. Germany emerged out of the crisis, completely recovering her position both internally, and externally. It is indeed a grand spectacle that today the Germans solidly united under the Fuehrer, are fighting with an iron resolve not to permit the enemy to advance one step into their native soil.

As was expected, Germany, taking the offensive on the western front against the enemy, has destroyed the more important of the American positions. We cannot but be moved to see Germany, unperturbed under the severest trials, march straight forward, self-reliant and confident of ultimate victory.

On the other hand, Italy under Signor Mussolini, rapidly effecting the organization of her national army, is marching side by side with Germany, with honour and glory.

I believe that in this war for self-preservation and self-defence, it is the most sacred mission for us to fight it out with our allied nations both in the East and in the West for the fulfillment of our common aims of establishing international justice, and blazing a new path for mankind.

The good fight put up by Germany has served to expose more plainly than ever the motives of America and Britain in provoking the war. Needless to say, it is Britain who started the European conflagration by intervening in the Polish question. Her pledges of assistance to Rumania, Greece and other small nations have proved to be nothing but tricks of her balance of power policy. Now the interests of the small nations are being completely ignored by the great Powers who posed as their protectors. Poland, whom Britain was to rescue by fighting Germany, is now a child left on the doorstep. The Atlantic Charter, which was once hailed as a Magna Charta, and the lifeline of America and Britain, has been thrown into the dustbin. Their power politics has been bared in all its ugliness without its mask of righteousness. America and Britain are presumptuous enough to call themselves "freedom-loving" nations. But their war aim lies in neither the protection of smaller States nor the upholding of freedom, but in setting up a world structure under the dictatorship of big Powers grouped about themselves. In the meantime, by anticipating and preparing for the next war, they are revealing unwittingly a fatal inconsistency as regards their war aims. That they are also lacking in faith regarding the war is evident even in the light of public opinion in their own countries. The enemy has already gone bankrupt in his policy. A breakdown in policy bespeaks the beginning of a breakdown in war itself.

The war of greater East Asia was provoked by the enemy in his attempt to

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eliminate Japan who stands in the way of his plan for world supremacy. America and Britain are aiming to rob the peoples of East Asia of their homelands, and to convert them into their permanent colonies, and use them as bases of operation for the domination of the world. The war of life and death we are waging is a war for the defence of East Asia. Thus more distinctly than ever stands out our war aim which lies in the establishment of international justice through the emancipation of Asia and the reconstruction of East Asia. Today, Asia is awake. East Asia has been liberated. The nations of this region, freed from Anglo-American aggression and exploitation of long years, are now fighting a sacred war of defence against the enemy who is invading anew their territories. Should we by any chance lose this war, we would have to be subjected to oppression and exploitation forever. The resurgence of East Asia, nay, the very existence of our nation would become but an idle dream. Herein lies the reason why the peoples of East Asia have joined their forces to fight out this war. Herein is to be found the source from which springs the illimitable strength of East Asia for making this war a complete success.

Needless to say, the defence of the Philippines constitutes, today, the focal point in the defence of East Asia. As soon as America commenced aggressive operations against the Philippines, the Republic rose resolutely, declaring war against her. All the world is watching how the people of the Philippines, led personally by President Laurel, are fighting side by side with Japanese forces in a most sanguinary war.

Another vital point in East Asia's defence line is the Burma front. For the past year and a half ever since her independence, Burma has continuously borne the brunt of violent battles. It is most reassuring that under the superb leadership of Dr. Ba Maw, Head of the State, the nation standing at the foremost front in the war of Asia's emancipation, is demonstrating the proud traditions of East Asia. That the liberation of India is the key to the liberation of Asia and also the criterion of world justice has long been an established view among unprejudiced thinkers. Mr. Subhas Chandra Bose, Head of the Provisional Government, is leading the Indian National Army in the struggle for the attainment of that high purpose. Though there are many difficulties yet to be overcome, I have no doubt whatever as to the ultimate success of his lofty enterprise. The Japanese Government have recently appointed a diplomatic representative accredited to the Provisional Government of Free India. There is certainly a great role to be played by that government in the future.

Meanwhile, the people of Indonesia, responding to Japan's sincere intentions that have been publicly announced, are actively cooperating with our forces and vigorously carrying on the preparations for independence. Our Government look eagerly forward to the day when the independence of Indonesia will be realized.

In Thailand, the venerable country of Asia and our ally, a new cabinet has been organized under Mr. Khuang Aphaiwong, the young and energetic

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leader. It is truly reassuring that Thailand, maintaining perfect cooperation with our country, is devoting all her energies to the great enterprise of reconstructing East Asia.

Manchoukuo remains our staunch ally, ever true to the pledge of "one virtue and one heart." Although indirectly afflicted with the calamities of war, she is fully cooperating toward the prosecution of war both spiritually and materially, and contributing vastly to our fighting power.

The death of President Wang Ching-wei, the outstanding pioneer of East Asia, before the realization of a general peace is a severe blow not only to China alone, but also to East Asia. The Japanese Government cannot but feel the profoundest sorrow and regret. However, although President Wang is dead, his spirit lives. In accordance with his last instructions, the lamp of ideal lit by the Father of the Chinese Republic is kept burning. United fully under its new head, Mr. Chen Kung-po, the Chinese Government is vigorously administering the national affairs in the face of many difficulties, while doing its utmost to promote Sino-Japanese cooperation under the conviction that the two nations are to "live or die together." The relation-ship between Japan and China is clearly defined by the Pact of Alliance that was concluded some time ago. Japan's policy toward China has remained fixed and irrevocable ever since the inauguration of the so-called "new" policy. This same policy will be pursued consistently and various measures will be pushed through all difficulties in both political and economic fields.

I avail myself of this occasion to say a few words regarding the international situation centering around China.

To divide and rule and to fish in troubled waters by pitting Asiatics against Asiatics, has long been the policy of Britain, which America has adopted, and which is being pursued most conspicuously in China. Well aware of the impossibility of subjugating Japan by herself alone, America is attempting to attain her objective by instigating China. Now by flattery, now by threat, she is driving China against Japan in order to keep the two nations perpetually at loggerheads. Moreover, while reducing at the expense of China the cost of her war against Japan, she is taking advantage of China's distresses aggravated thereby and scheming to plant securely her exclusive monopolistic power on the continent. Such destructive American policy, which endangers the stability of East Asia, is absolutely incompatible with our constructive policy. Our China policy aims to help construct a new China, awakened to her role as a member of the East Asiatic community of nations, and standing with other countries in a relationship of equality and reciprocity. Japan has already promised the general withdrawal of her troops from China upon the restoration of peace.

The war of greater East Asia, it may be said, begins with China problems and ends with China problems. The stability of East Asia can be secured only when China is set aright. The objective of our Armies in South China is to destroy American forces and American bases. All we want is to drive out the disruptive American influence, and to restore China to the Chinese, so that she may together with Japan contribute toward the grand enterprise

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of reconstructing East Asia. I rejoice at the recent victories of our forces which have cut a way across the entire length of China from north to south and dealt heavy blows to American bases, which means a brilliant strategic stroke politically as well as militarily toward the liberation of East Asia.

As regard Japan's relations with neutral countries, I may say that with the exception of those which are actually under the dominance of America and Britain, friendly intercourse is being continued as formerly despite the difficulties attending wartime. Especially to Sweden, Switzerland, and Spain, who, representing Japan's interests in enemy countries, have been good enough to take charge of the complicated and troublesome affairs for so long relating to protection of the interests and the internees of our country, I desire to express our profound sense of gratitude. With Soviet Russia our relations are governed by the Neutrality Pact of 1941. In view of the respective positions the two countries hold vis-à-vis the world's political situation, the Governments are maintaining close contacts always. A smooth progress is being made in the negotiations on various pending issues including the execution of the agreement regarding transfer of concessions which was concluded and made public in March last, and the exercise of the fishery rights provided for in the Fishery Convention.

There is no hope of ever securing an enduring peace in the world through the American-British policy of force. A peaceful world order can be brought into being only in an atmosphere of international amity and co-operation which excludes none but invites the collaboration of all. It is in this very spirit that the Joint Declaration of Greater East Asiatic Nations is conceived. The five points of Japan's foreign policy which were enunciated before the Diet and to all the world last year are but concrete lines of approach based upon it. To repeat: (1) to uphold the principles of equality and reciprocity among nations, to develop the relations of neighborliness and amity, and thereby

inaugurate an era of universal concord and to establish a permanent world peace; (2) to respect the principle of nationality, and enable all nations and peoples to enjoy each its proper place in the world; (3) under the principle of non-intervention in the domestic affairs of other States, all nations, large and small, are to respect mutually the sovereignty and independence of one another, and not to interfere with the form and philosophy of government of any country, these being its domestic affairs; (4) to advocate, in the economic field, co-operation and the open door and to work for the free development of peace and communications on a footing of reciprocity and for the mutual opening of resources throughout the world; and (5) to promote international cultural interchanges and thereby contribute to the peace and progress of mankind. These are the five points of which detailed measures for practical purposes may be duly worked out. In brief, what Japan advocates is to establish a world order of non-menace and non-aggression.

It is my belief that our fair policy will be appreciated by all nations, and, that our war aims of vindicating the cause of international justice will eventually command the respect of the whole world. Indeed, our immutable

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will to victory is sustained by the conviction that justice is bound to prevail in the end.

No easy progress is to be hoped for in a war by which we mean to bring about a great world change. We should expect, as a matter of course, to experience many ups and downs. In fact, the more ordeals we undergo, the stronger grows our resolve to fight out this war of life and death. With the intensification of the conflict, the difficulties in the diplomatic field are bound to multiply, and I am prepared to see to it that every care and caution is taken in the execution of various measures. I believe that not by turning to the bypaths of artifice, but rather by marching steadfastly and resolutely on the highway of justice and righteousness we may work out the destiny of our nation. As one charged with the administration of external affairs at this time of the decisive stage of the war, I hope that under the August Virtue of Our Sovereign we shall all strive in the spirit of our gallant men at the battlefield and do our full shares in opening up a glorious future for East Asia.

FINANCE MINISTER SOHTARO ISHIWATA'S ADDRESS AT THE EIGHTY-SIXTH SESSION OF THE DIET, JANUARY 21, 1945

As the war has now entered its decisive stage, Japan must speedily perfect the measures for utilization of the entire national strength and advance resolutely toward victory by using the entire knowledge and ability of the nation according to the requirements of each moment. The Government's budgets have been formed according to this primary requirement, with stress laid on the increase of the fighting strength and the acquisition of sufficient food supplies. As regards the items of expenditure urgent for the execution of the war, required amounts have been listed. To enable the war prosecution, the first reserve fund of ¥200,000,000 and the second reserve fund of ¥2,000,000,000 have been included in the wartime budget.

Of the total outlay of ¥22,400,000,000 in the budget for the 1945–46 fiscal year, the expenditures decided for various Ministries total ¥7,180,000,000, and the outlay for new enterprises ¥15,210,000,000. Administrative expenditures of various Ministries reach ¥1,310,000,000, and other items in annuities and pensions, subsidies to local districts, the National Treasury's share of primary educational expenditures and others total ¥5,870,000,000.

The main item in the new enterprise expenditure is the amount applied to the Wartime Special Military Expenditure Special Account reaching ¥7,200,000,000. A total of ¥2,140,000,000 is listed for increasing production and adjusting prices, including the subsidy for adjusting the aluminum price, the subsidy for encouraging self-sufficiency in oil and other fuel, the expenditure for increasing the output of timber for military purposes and others. Furthermore, over ¥500,000,000 is listed for the increased production of fertilizers, the maintenance of farmers and engineers, and the expenditures for the production and distribution of fish and vegetables.

Then for the increase of the sea, land, and air transportation facilities, a

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sum of ¥360,000,000 is listed, and also ¥190,000,000 for the increase of the military relief fund and for the protection of soldiers, ¥110,000,000 for the adjustment of school systems and schools in line with wartime conditions, and ¥80,000,000 for strengthening the diplomatic activities aiming at the execution of the war and the unity of the total strength of the races of greater East Asia.

Efforts were given to cut the already decided expenditures, and the total was reduced by more than ¥1,600,000,000. But in view of the present war situation, the expenditures for the increase of the fighting strength and the production of foodstuffs have been left untouched. Also the amount to meet the payment of national bond interests has been increased. Thus, the budget for the next fiscal year shows an increase of ¥1,840,000,000 compared with that of the present year.

In view of the recent development of the war situation which demands a thorough intensification of the Government's policies and measures, there may be required supplementary budgets, and such are expected to be soon submitted to the Diet as supplementary budget bills.

Of the total budget revenue of ¥22,400,000,000, the revenue from tax and other ordinary revenue items total ¥14,770,000,000 and the national bond issue revenue ¥7,620,000,000. The tax revenue that forms the main item in revenue totals ¥11,730,000,000, including both the ordinary and special revenues, showing an increase of ¥740,000,000 compared with the present fiscal year. The revenue from such indirect taxes as the amusement and alcoholic drink taxes has recently been reduced, due to the war situation, but the income tax and other direct taxes show an increase, reflecting the actual condition of Japan's economy. This is due to the patriotic fervor of the people.

In view of the increase in military expenditures following the progress of the war as well as the recent currency and banking situations, it is believed unavoidable to effect a general increase in taxation. But at the present stage of the war, the Government deems it proper to avoid making a change in the taxation system, and to effect an increased tax revenue by a simple method. Thus the

Government has decided to increase the tax rate of the classified income tax, corporation tax, sake tax and other important tax items. At the same time, steps have been taken to simplify the tax collection system and reduce or exempt the collection of taxes considered necessary under the present wartime condition. Respecting the taxation increase plan, a more detailed explanation will be given when such bills are presented.

Together with the proposed taxation increase, the Government has also decided to increase the profit of the Tobacco Monopoly, but this increased revenue will be listed in the supplementary budget and will be applied to the Wartime Special Military Expenditure Special Account.

The revenue from the national bond issue is ¥7,620,000,000, showing an increase of ¥1,530,000,000 compared with the present fiscal year. Also, besides the national bond issue in the general account it is expected that a total bond issue of ¥1,260,000,000 will be made in the special accounts of

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Chosen, Taiwan, Karafuto, National Railways and Communications. When the estimated amount of the bond issue as the source of the supplementary budget of all accounts is considered, the total national bond issue in the coming fiscal year is expected to be much larger than in the present year.

The total amount of the national bond issue since the outbreak of the China affair has reached ¥84,970,000,000, of which ¥76,730,000,000 was absorbed. The amount issued during last year was ¥26,990,000,000 of which ¥25,010,000 was bought up. Thus the acquisition of funds through the bond issue and the execution of the budget have been made without any hindrance.

To have the bond issue smoothly absorbed, stress must be laid on the increase of the national savings. The objective in the increase of national savings in the 1944–45 fiscal year was ¥41,000,000,000, and actually by the end of the third quarter of the year, a total increase of about ¥34,500,000,000 was made, including about ¥15,400,000,000 of bank deposits, about ¥7,900,000,000 of postal savings, and others.

This rapid increase made in national savings is due to the efforts of the entire people, and at this moment of emergency, the eagerness of the people to cooperate with the Government must be admired. Yet in the coming fiscal year, a large increase in the national bond issue is expected, and the Government will take proper measures in allotting the increased savings, particularly to the quarters with an increased income. At the same time, over the entire savings system, the Government will give efforts to effect an improvement in its operation, in accordance with the wishes of both the officials and public. When a revision of laws and regulations is required, separate bills will be submitted to the Diet.

All special account budgets have also been formulated in accordance with the general account budget. Giving importance to facilitate the increase of the fighting strength and food production, the expenditures required for urgent requirements have been increased. Those forming the main items in the expenditures for new enterprises include the outlay connected with the production of important materials and the adjustment of their prices, expenditures for increasing foodstuff production, expense

for increasing transportation facilities, and expenditures connected with air defence.

When the requirements of the financial fund and the demand of the fund for increasing the fighting strength and production are considered together, the total fund required is expected to be increased greatly. Then, with the increase of the financial and industrial funds, an increase in the currency in circulation is inevitable. Since the China affair the currency circulation has been steadily expanding, and the average circulation of Bank of Japan notes during 1944 was ¥12,050,000,000. Though currency circulation expansion is unavoidable, when it goes beyond a proper limit, there is danger of causing an abrupt rise in commodity prices, of disturbing economic stability and lowering the fighting strength behind the guns. Thus the Government has endeavored to utilize both the financial and industrial funds without any waste and to absorb the fund once paid out, thereby to assure the

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stability of the economic order that forms the foundation for the execution of the war.

Regarding the economic policies at this emergency moment of air raids, the Government have already adopted the wartime emergency banking measure and the wartime special damage insurance system. Such measures will be gradually expanded so as to stabilize the people's minds. At the same time, it is also urgent for various economic circles to adjust their structures speedily to meet the recent development of the war situation. Particularly in the manufacturing, supply and labour fields, it is expected that there will be required a speedy readjustment.

Then, to various States and races within greater East Asia, Japan is extending financial aid, and endeavoring to cooperate with them in their respective economic spheres. Even in the future, Japan will not hesitate to give these Asiatic States and races her wholehearted aid and cooperation despite all difficulties under wartime conditions. Thus, we expect to reply to the confidence and expectation of the various States and races of East Asia, by making more efforts for the establishment of greater East Asiatic economy.

Now is the time when the future of the Japanese Empire will be decided. For conquering the present crisis and smashing the ambition of America and Britain, it is necessary to mobilize and concentrate the total strength of the Empire, according to the requirements of the military operations. Thus, I sincerely desire that the 100,000,000 people of the Empire will bolster further their strong fighting spirit, co-operate with the brave soldiers at the firing line, engage coolly in the activities behind the guns, exert themselves for in-creasing production, practice economy, and show their patriotic fervor by responding to the taxation measures and the need for savings, so that they , will finally defeat the United States and Britain in this total war.

STATEMENT OF THE JAPANESE GOVERNMENT CONCERNING
INDO-CHINA, MARCH 10, 1945

In accordance with agreements entered with France concerning the common defence of Indo-China,

Japan has consistently cooperated with the French civil and military authorities in Indo-China for the defence of the said region. More recently, however, with the development of the war situation, a gradual change has taken place in the attitude of local French authorities, so that they have come to fail to translate into action the spirit of common defence in the face of attacks upon Indo-China by America, Britain and others. The Japanese representative has from time to time urged reconsideration upon them but to no avail, so that the Japanese forces now find themselves obliged to defend Indo-China singly against the enemy, who is pressing close upon the region. It means that for the defence of Indo-China, the Japanese forces have resolved to attain their objective by rejecting those who are of enemy character but by extending assistance to such local authorities as will cooperate with Japan.

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The above is a measure Japan, much against her desire, has been compelled to adopt by military necessity and its application shall be limited to the minimum extent. It goes without saying that regarding Indo-China, Japan entertains no territorial designs, and the Japanese Government desire to declare also that they are prepared to render all possible assistance to the inhabitants of Indo-China engaged in the defence of their homeland against the invaders of Eastern Asia, and that in consonance with the principles of the Greater East Asia Joint Declaration full support shall be accorded to their long-suppressed aspiration to achieve national independence.