Document N TOKYO Vol. II

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# PROBABILITY
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## Naval Attaché
## TOKYO

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By BT; NARS Date MAY 21 1973

# Volume 2
## Documents Numbers 57 to 97
(16 Jan. 1940 – 22 Sept. 1941)

O. N. I. 86

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

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# ATTACHÉ'S REPORT

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From NA/Tokyo Date Jan. 16, 1940 Serial No. 9 2 File No. 100-100

(Consecutive serial number each January 1st) (Subject grouped number from O. N. I. Index)

Source of information Observation

Subject Japan Political - Organization
(Nation reported on) (Index title as per Index sheet)

Reference

NAVAL INTELLIGENCE RECEIVED

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General Intelligence Summary - Political

When the Japanese Army withdrew its support, the Abe Cabinet was forced to resign, and a new government headed by Admiral Yonai, former Navy Minister, was formed. It is significant that the Army refused to allow an Army officer on the active list to assume the office of Prime Minister. This indicates that the Army declines to accept openly the responsibility for governing the country in these difficult times. Admiral Yonai's appointment has been well received.

| Director | A-2 C-D-E B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16 | Mess. group | Air Attaché | Budget | C.N.O. | Gen'l Board | War College | N.I.S. | Mar. | Gd. | T.S.D. | C.S.S. | Sup. | S.S.A. | M.S.S. | Aero. | U.S.M.C. | M.O. |
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U. S. GOVERNMENT PRINTING OFFICE 8—0000

Report No. 9
Japan
January 16, 1940

100 - Political
100 - Organization

General Intelligence Summary - Political

As has been reported to the Department by despatch, the Cabinet headed by Premier General Abe resigned on the morning of 13 January and has been replaced by a Cabinet headed by Admiral Mitsumasa Yonai, former Minister of the Navy and now a member of the supreme War Council.

General Abe's resignation was caused by the general and widespread feeling of dissatisfaction over the government's economic policies. This dissatisfaction was increased by the fact that the Cabinet made an unusual number of blunders over what should have been routine administrative matters. As a result, the Army, which had been supporting the Cabinet, withdrew this support and the Cabinet was forced to resign.

Admiral Yonai's designation as Prime Minister was very unexpected. It was generally assumed that since Prince Konoye would not accept the post and since the Army - the real power behind any Japanese Cabinet - was opposed to nominating either a general on the active list, a politician or a financier, that some retired officer such as General Minami or Admiral Suyetsugu would be appointed. However, Admiral Yonai's appointment has been very well received since he is recognized as an able administrator and as a man of broad vision, steadiness and devotion to duty.

The Cabinet which is expected to be installed today is as follows:

| Post | Name | Age | Previous Post | Native Province | School |
|---|---|---|---|---|---|
| Premier | Mitsumasa Yonai | 61 | Navy Minister | Iwate | Naval Academy 1901 |
| Foreign | Hachiro Arita | 57 | Foreign Minister | Niigata | Tokyo Imp. Univ.Law 1909 |
| Home | Hideo Kodama | 65 | Overseas Minister | Yamaguchi | Tokyo Imp. Univ.Law 1900 |
| Finance | Yukio Sakurauchi | 61 | Min.Com.&Ind., Agr.&Forestry | Shimane | |
| War | Shunroku Hata | 62 | War Minister | Fukushima | Mil.Acad. 1904 |
| Navy | Zengo Yoshida | 56 | Navy Minister | Saga | Nav.Acad. 1904 |
| Justice | Shotatsu Kimura | 62 | Procurator-General | Kumamoto | Kyoto Imp. Univ.Law 1906 |
| Education | Chinjiro Matsuura | 69 | Vice-Min.Educ., Pres.Kyushu Imp.Univ. | Ehime | Tokyo Imp. Univ.Law 1898 |
| Commerce & Industry | Ginjiro Fujihara | 72 | Chairman,Board of Directors, Oji Paper Co. | Tokyo | Keio Univ. 1891 |
| Communications | Masanori Katsu | 62 | Manager, Minseito | Fukuoka | Tokyo Imp. U.Law 1905 |
| Railways | Tsuruhei Matsuno | 58 | Adviser, Seiyukai | Kumamoto | |
| Overseas | Kuniaki Koiso | 61 | Overseas Min. | Yamagata | Mil.Acad. 1901 |

| Post | Name | Age | Previous Post | Native Province | School |
|---|---|---|---|---|---|
| Welfare | Shigeru Yoshida | 56 | Chief Sec.of Cabinet | Oita | Tokyo Imp.U. Law, 1911 |
| Chief Sec. Cabinet | Sotaro Ishiwata | 50 | Finance Min. | Tokyo | Tokyo Imp. Univ. Law, 1916 |
| Dir.Board of Legislation | Hisatada Hirose | 52 | Welfare Min. | Yamanashi | Tokyo Imp.U. Law, 1914 |

It is difficult to predict the future of the Yonai Cabinet. It is certain to face critical and complex situations as long as the China hostilities continue. Whether this government - or any government - can solve the country's economic problems without nationalizing national wealth, commodities, labor, etc. remains to be seen. It remains to be seen also whether the Japanese people are prepared to accept the economic sacrifices that will be necessary to carry on the program in China.

Judging by the opposition of the people to the Abe Cabinet it is impossible to escape the conclusion that the Japanese are tired of the numerous economic restrictions that have been necessary these last few months and are unwilling to accept additional restrictions or make greater sacrifices except under protest. Unless the Cabinet can restore public confidence in the Government and in governmental policies as regards China these policies will have to be changed, and peace made on the best possible terms or the Government will have to face the possibility of internal disorders.

O. N. I. 90

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

# ATTACHÉ'S REPORT P-4-C 4932-B

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From NA/Tokyo Date Feb. 15, 1940 Serial No. 20 File No.
(Consecutive year series each Summary Sent) (Subject number from O. N. I. Index)

Source of information Mostly press

Subject Japan
(Division reported on) (Under title as per Index sheet) (Subtitle)

Reference

Report.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Japanese Comment on the U.S. Naval Building Program

Japanese officials and press view with concern the American naval expansion program. The Japanese public has been made to feel that the United States plans to keep in a superior position in order to be able to attack Japan in her home waters.

The similarity of the press comments indicate that the above ideas are being spread by a central agency - probably the Naval Publicity Section.

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| Director | A B C D E F G H I J K L M N O P Q R S T U V W X Y Z | Naval Attaché | Air Attaché | Budget | C. N. O. | Chief Clerk | War College | M. I. D. | Mar. | Coast | F. B. I. | C. G. S. | Treas. | Agric. | U. S. M. C. | N. O. | | | | | |
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U. S. GOVERNMENT PRINTING OFFICE 9—

Report No. 20
Japan
February 15, 1940

## Japanese Comment on the U.S. Naval Building Program

The comments of the Japanese Naval spokesman, Japanese naval writers and the Japanese press leave no doubt of the concern with which news of increased United States naval building is being received in Japan. Ever since our Congress met early in January there has been a stream of comment, both official and unofficial, in regard to America's plans and intentions for her Navy. In making these comments the Japanese officials and public overlook, or at least pretend to overlook, the fact that the United States must for the time being be largely guided by events in Europe and they pretend that any steps taken to strengthen the United States Navy are being aimed and directed against Japan. In order that the Department may be informed of the very noticeable reaction in Japan to our naval plans, the following comments which have come to the attention of the Naval Attache are reported in somewhat more detail than might ordinarily be considered necessary.

On 11 January, the Osaka Mainichi in its editorial columns made the following remarks:

"No prediction is possible as to the fate of the third Vinson Plan proposing the additional construction of 77 combat ships and 30 auxiliary vessels with the total displacement of 400,000 tons at the expenditure of $1,300,000,000 in the course of the next three years.

"However, the Naval Committee of Congress suspended consideration of a bill authorizing the President to control ships and factories in a national emergency. The Committee thought such an authority against the principles of democracy. The Vinson Bill may meet the same fate.

"From a practical point of view, since shipbuilding facilities in America are insufficient to put into immediate effect such large-scale construction, the Third Vinson Plan may end as a paper program. At any rate, Admiral Stark's assertion that should the additional expansion plan be approved by the Congress, the U.S. Navy would have a strength approximately 5 to 3 against Japan or even slightly superior, was noteworthy as it expressed frankly the intention of the U.S.Navy.

"According to Admiral Stark the U.S.Navy is still adhering to the naval ratio of 5 to 3 against Japan. The U.S.Navy plan is to let this unjust naval ratio under the already abolished Washington Treaty stand as a permanent basis for relative naval strengths between Japan and the United States.

"To say nothing of the question of whether the 5 to 3 ratio should give the U.S.Navy an absolute superiority over the Japanese, the fact that the former adheres to the ratio plainly show its intention to conduct overseas operations against Japan.

"The fundamental strategy of the Japanese Navy is based upon non-menace and non-aggression. It is understood that while Japanese strategy is designed to prevent any invasion by any foreign navy, it does not contemplate any actions to cross the Pacific. Should America, however, purposely ignore Japan's intention and strive to maintain absolute superiority, Japan would have to expand her naval strength necessary for defensive purposes.

"It is doubtful whether provocative naval expansion by America will contribute towards the promotion of peace in the Pacific. While we recognize the right of all countries to form their own defense plans, we should not hesitate to take decisive countermeasures against provocative plans or threats from abroad."

On the same day this subject was given the following treatment in the Osaka Asahi:

"Nobody can discuss international situations intelligently without making reference to America's naval expansion program which involves the construction of 45,000-ton battleships and the

strengthening of the Pacific and Atlantic Fleets. In Admiral Stark's proposal to fortify Guam Island, America's intention to intimidate Japan is very plain. However, we need not be surprised at America's attitude of bringing pressure upon Japan. The so-called insecurity of American national defense is theoretical rather than real. No American actually believes it probable that the U.S.Navy will engage powerful enemy forces on both Pacific and Atlantic Oceans at the same time. President Roosevelt said that America could not help being affected by wars occurring in Europe, Asia or Africa. No expansion of naval force should be sufficient against a feeling of insecurity derived from such a state of mind."

These editorials in the two largest and most influential Osaka papers were followed on 12 January by articles in various Tokyo journals:

Commenting on America's naval expansion programme, the "Chugai Shogyo" stated that it cannot understand why America should embark on the large-scale replenishment of her armaments at the present time. It is inconceivable that any country in the world has any territorial designs on America. If the contingency ever arises of the American mainland or any of America's possessions being attacked by a foreign country it will only be in the very distant future. At the moment, there is no such possibility.

The most disagreeable thing in connection with the American naval expansion programme is,the Tokyo journal proceeds, that it is evidently directed against the Japanese Navy. Notwithstanding the plausible reasons given, America's actual intention seems to be to coerce Japan by dint of an overwhelming naval strength. The Guam Island fortification programme is certainly a challenge to Japan, for no convincing reason has yet been produced by America to dispel the Japanese suspicion that it is a challenge.

It is, of course, only proper for any country to do all that is necessary to protect its own territory against alien attacks, but it is gravely to be questioned whether the American Government and people really think that their country is exposed to such a danger. The fair observer will have no doubt that America is absolutely free from such risks. As for Japan, for instance, the Tokyo journal says, she is absolutely innocent of any such designs. It is, therefore, very disagreeable to learn that the Japanese Navy is given as an excuse for the expansion of the American Navy. All things considered, the Chugai concludes, it is difficult to resist the conclusion that the American armaments expansion plan is not defensive in character but agressive.

At the same time the Tokyo Nichi Nichi had the following to say:

"The American naval plan to construct 52,000-ton capital ships and to strengthen the Pacific and Atlantic fleets is decidedly an alarm bell arousing the Japanese people from the New Year holiday sleep. No one with a shred of interest in international affairs can turn a deaf ear to the warning.

"That Admiral Stark, Chief of Naval Operations, should have again taken up the Guam defense issue, which was the subject of such hot debate in Congress last year, is an obvious sign that intimidation of the Japanese people is intended.

"American dockyards are now filled to capacity with the building programs already in hand and it would take two or three years to build 52,000-ton capital ships on schedule. But we cannot afford to consider such plans merely paper calculations designed to frighten hypothetical foes.

"These paper plans can be thrown into the trash basket at any time but it is unlikely that they will be.

"On the other hand, we need not be surprised at this stage at the American policy of bringing pressure to bear on Japan. The United States has merely indicated in undisguised terms the nature of its national defense plans, rather than revealing its glaring hostility toward Japan.

"The American sense of insecurity in regard to its national defense is paper insecurity. Probably not even Americans think it possible that there should arise a situation in which both the Pacific and Atlantic fleets must fight at the same time against powerful enemy fleets. But for those who consider hypothetical possibilities, the sense of insecurity is not unwarranted.

"President Roosevelt has said that the United States cannot hold aloof from any international conflict whether in Europe, Asia, Africa or any islands in the sea. A navy capable of removing a sense of insecurity of such magnitude must be of infinite proportions!

"In this sense, the United States apparently is endeavoring to strengthen its world policing authority but it is not against all the strong naval Powers of the world that it harbors hostility.

"There can be no doubt that the United States feels insecure in regard to Japan. Much of this insecurity is based on its misunderstanding concerning Japan, but it is curious American reasoning to over-emphasize American insecurity and at the same time to attach so little importance to the sense of insecurity that America's oppressive attitude toward Japan has created among the Japanese. It is this dogmatic and unreflecting attitude on the part of the United States that one must fear most."

About one week later the press took up the attack again, numerous articles appearing in most of the papers. On 19 January the Tokyo Asahi carried the following editorial:

"Closely on the heels of the testimony made by Admiral Stark, American Chief of Naval Operations, before the House committee on naval affairs to the effect that the U.S.Navy intends to demand building appropriations totalling $2,276,000,000 for the construction of 77 vessels, Rear-Admiral Samuel M. Robinston, chief of the Navy's Bureau of Engineering, on January 17 also reportedly declared before the same committee that the navy expects to lay down a total of 76 destroyers - including replacements - during the next four years at a cost of $632,800,000. And to this, if we add the construction of 68 vessels which the U.S.Navy already has been authorized by Congress to carry out - and if this projected construction work is really to be completed by 1945 - the American Navy unquestionably will have acquired an offensive character. The American Navy in that event will be able to carry out trans-ocean operations, particularly against Japan, close to the latter's territorial waters.

"Though we doubt whether America today really has building capacity to smoothly carry out such a gigantic construction program, if the plan actually is put into execution, the result may prove extremely serious to Japan. What can be America's true motives for pushing such a gigantic construction plan?

"One apparent reason in our view is America's probable attempt thus to acquire an advantageous position in her claim for possession of superior naval strength in the possibly forthcoming naval disarmament parley which is expected after the termination of the current European war. Another apparent reason is that the United States is trying to exert pressure on Japan, as to Japan's new work in China covering the new order. This possible attitude of Washington is already reflected in Japanese-American conversations about the conclusion of a new commercial pact.

"But the reply to any such probable attempts on the part of the United States is our warning that Japan will never yield an inch in her plan to have rightful claims in China properly realized. We now have our reliable Admiral Yonai at the head of the new government organized to guarantee the naval defense security in any serious development."

Two days later the Tokyo Nichi Nichi carried the following:

"Representative Carl Vinson, Chairman of the House committee on naval affairs, has announced reduction of the U.S.Navy budget appropriations, involving execution of a gigantic naval expansion plan, from $1,300,000,000 to $800,000,000. The American nation who in anything aims at 'the first and foremost in the world', so far as this naval expansion plan is concerned, is found to be levelling relentless criticism against the Roosevelt Administration. The new step taken by Representative Vinson apparently is believed to fall in line with this trend of public opinion in the United States.

"What is most interesting in this connection is the fact that the views of Admiral Stark, Chief of Naval Operations, are being practically opposed by those of Rear-Admiral Robinston, chief of the Navy's Bureau of Engineering, who has readily approved the plan of financial curtailment put forward by Mr. Vinson. This seems to indicate clearly enough that the American Navy really does not require so big budgetary appropriations as it had originally demanded. It is indeed highly undesirable and reprehensible even as well that the United States should try to stimulate needlessly other nations by formulating such a big naval plan, merely for the sake of utilizing the question for political purposes. But a thousand pities it is that every time such a plan is pushed forward to Congress Japan's name is unduly quoted to warrant the scheme."

And from the Chugai Shogyo of the same date:

"In the past there have been suggestions that America was expanding her navy because of new world developments and changed conditions. We note that she has at last drawn up a naval expansion program including a plan for fortifying Guam. By new conditions or state of things are meant the present China incident and the European War, which offer plausible pretexts. A careful consideration of various facts, however, makes it difficult for one to accept at its face value such an explanation. For, as a matter of fact, there is little possibility of America or her possessions being attacked in the near future.

"According to Admiral Stark, unless America expands her navy by 25% as proposed under the Third Vinson Plan she will not only be unable to maintain the 5-3 naval ratio against Japan, but also will be unable to cope with the Japanese Navy. Though five reasons were given for the proposed expansion program, it is suspected that these are only pretexts, and that the true motives back of it are to oppose Japan and to bring pressure upon her. The fact that the fortification plan of Guam has been proposed again after its rejection last year is a proof that our surmise is not wide of the mark. At any rate, we have not heard any explanation which convinced us that the fortifying of the Pacific island was not America's challenge to us.

"What we want to know in this connection is whether America actually feels that she is in danger of being invaded. America may be under an illusion as to the danger. So far as Japan is concerned, it is annoying to be used as an excuse of America's naval expansion, when we have no intention of invading her. We can reach no other conclusion but that the purpose of American naval expansion lies not in a defense policy against possible invasion, but in a far reaching and agressive plan."

When the news reached Japan that certain reductions would be made in the American building program, the Osaka Mainichi had the following remarks to make:

"Mr. Vinson announced that the appropriations of $1,300,000,000 covering the naval expansion bill recently introduced into the Congress would be reduced to $800,000,000. The American public which is always in favor of any plan intended to achieve the best in the world has been seriously criticizing the naval expansion plan, since the necessity for such a large expansion was not apparent. Mr. Vinson's drastic cuts of the proposed new tonnage from 400,000 tons to 218,000 tons, and the reduction

of appropriations to $800,000,000 were designed to neutralize this criticism. It is very interesting to note that Admiral Robinson at once agreed to the revised plan which reduced by half the total new tonnage which Admiral Stark had said was absolutely necessary. According to Admiral Stark the total new tonnage can be completed in the course of the next three years without expanding construction facilities. According to a Senator, however, up to November 16, 1939, not a single ship of the construction program approved in 1938 has been completed. Under these circumstances one doubts the practicability of completing in the next three years an expansion plan calling for a total expenditure of $800,000,000. Even reduced by half, the Vinson Plan might after all be termed only a paper program.

"This is not the first time that Japan has been used as a tool by certain American politicians, who make political issue of naval expansion programs. If America was sincere about her naval policy and her naval program she could not have effected such a drastic reduction on a bill which was not yet considered. In other words, an expansion program which could be reduced by half is not an urgent program. Sensible statesmen in America should seriously examine even this revised program which has caused great resentment in Japan."

The American naval program was also made the subject of a number of syndicated press articles, written by various naval writers, including retired naval officers. The following, written by Lt-Comdr. (Ret.) T. Ishimaru, appeared in a number of Tokyo and Osaka papers, and is typical of the semi-official views expressed on this subject:

"America has launched upon an unprecedented naval expansion program. According to an announcement by Admiral Stark on January 8 the U.S.Navy wishes to increase by 25% the naval construction programs already approved which increase is to be effective in the course of the next three years. When this additional construction is completed, the Admiral explained, the comparative naval ratio between the American and Japanese Navies will be 5-3, or even slightly more favorable to America.

"Since America is already building 79 combattant ships and 17 auxiliary vessels the new expansion plan calling for 19 combat and 5 auxiliary vessels will bring up to 120 the total of the ships under construction in the new fiscal year.

"However, this is only a part of the entire expansion plan the U.S. naval authorities have in mind. In addition to the foregoing plan, the authorities intend to establish an independent Atlantic Fleet so as to cope with the joint strength of the German, Italian and Japanese Navies. When the intended Atlantic Fleet consisting of 220 vessels including 12 capital ships will be added to the Pacific Fleet, America will be in possession of 33 battleships, 13 aircraft-carriers, 35 heavy cruisers, 39 light cruisers, 312 destroyers, 126 submarines, and 250 miscellaneous ships. Her strength then will be far superior to the three Navies combined. Thus America has changed her former policy of joining forces with England and is now forming a new policy of equaling foreign powers, if necessary, unaided by England. This is the true meaning of the present American program.

"Also, quantitative expansion represents only a part of America's construction plan, for in addition she is planning to put into effect a qualitative program, which will make her navy the best in the world.

"It is recalled that at a recent session of Congress, the Secretary of the Navy, Mr. Edison, and Admiral Stark announced that the U.S.Navy intended to build in the future battleships with a displacement of 52,000 tons or more. One difference between a 45,000-ton and a 52,000-ton battleship is that the latter can mount eight 18-inch guns against the former's eight or nine 16-inch guns. Also in addition to heavier guns the larger ship can carry heavier armor. This is proof that America intends to possess the world's best navy by making other navies obsolete.

"American naval authorities are said to have considered the building of battleships with displacements of up to 80,000 tons. The principal reasons which made them decide on 52,000-ton ships for the time being are the limited width of the Panama Canal, insufficient dock facilities, and their confidence that a 52,000-ton capital ship is superior to any foreign battleships now under construction. The American authorities are reported to have concluded that while the total building cost of three 65,000-ton battleships is approximately the same as four 52,000 ton ships, the smaller vessels are preferable as regards fire-control and damage control. This does not mean that 52,000-tons displacement will be the maximum for battleships. As long as the naval construction race continues, displacements will increase almost indefinitely.

"There are two methods in constructing a navy with a given expenditure - either to build many smaller vessels or to construct a few larger ships. It is well known that England follows the former method, and the U.S. the latter. Nevertheless, efforts to give each unit the maximum fighting strength and speed, and heaviest armor, all superior to corresponding ships of foreign countries, will naturally lead to an increased unit displacement. As the construction race continues all countries not only larger units than their competitors' but also a larger number of units. In the end the distinction between the two methods will disappear and all naval powers will compete against each other for larger number of larger ships, with naval appropriations increasing in geometrical progression.

"America has already adopted the policy of the largest number of the largest ships and has brought about a general naval race among the Powers. There is no telling how far the construction race will go.

"In considering a possible campaign against Japan the Americans have decided that the Hawaiian Islands are too far from the probable operating area. Accordingly, the establishment of an advance base is required. Should the base lack permanent means of defense, however, the American fleet would be exposed to attacks by Japanese submarines. The sinking of H.M.S. ROYAL OAK by a German submarine in the present European war showed plainly the danger of overseas operations. There is no other way left, then, than enlarging the facilities at Guam Island to those of a main base. Thus, the American naval authorities' insistent demand for the establishment of a base at Guam reflects their intention of despatching the world's greatest navy into the West Pacific for a campaign against Japan."

It will be noted that there is great similarity in the views expressed in these newspaper articles, which leads to the conclusion that they were inspired by some central agency - undoubtedly the Japanese Naval Publicity Section. However, Japanese officials in their own comments have not gone into as much detail as the editorial writers. The Foreign Office spokesman confined his remarks to the statement that "Japan is greatly concerned over the United States Naval building program" and Rear Admiral Kanazawa, the Navy spokesman added "the increase in America's naval strength is apparently designed to maintain a superior ratio to the Japanese fleet and the Japanese Navy has to regard the step as a matter of grave concern". He intimated that "certain measures" taken by the U.S. Navy in recent months are directly or indirectly aimed at Japan - referring no doubt to the increases in the Asiatic Fleet and the units stationed in Hawaii. As regards the Guam fortification issue, the spokesman is reported as saying that since the proposal had been rejected by the last Congress, it was "poor sportsmanship" to revive the issue now. As usual, the Japanese naval official declined to give any hint as to what Japan might do in the way of attempting to answer the American program and he also indicated that Japan was not in any position to exchange information with other countries in regard to her program. At another press conferance, the Admiral

stated that the construction of 52,000-ton capital ships would mark an epoch in naval armaments, and that he was not in any position to reveal Japanese naval data.

From the foregoing it is clear that the Japanese are really concerned over this latest aspect of the naval problem. The Japanese people have been made to feel that the United States is building a strong aggressive navy for the sole purpose of attacking Japan in her home waters and the Japanese Navy can be expected to use this public feeling to the utmost to obtain more appropriations for building up the Japanese fleet.

11399-0,C-10-i

Report No. 29
Japan
February 16, 1940

100 - Political
103 - International relations

General Intelligence Summary - International Relations

The most pressing international problems which now face the Japanese Government, aside from the problems arising from the hostilities in China, are the adjustment of relations with the United States and with Soviet Russia. During the past several months the Japanese have made various attempts to improve relations with the United States so that a Treaty of Commerce and Navigation might be negotiated and at the same time to remove various points of friction between Japan and the Soviet Union. So far these efforts have met with indifferent success. Not only has Japan's international position shown no improvement but with American-Japanese trade relations being placed on a "twenty-four hour" basis, it appears to have weakened considerably.

The uneasiness and uncertainty of the future of Japan's relations with foreign countries has been reflected in the interpellations in the Diet, in the press and in the general conversation of the people. There is a deep undertone of anxiety in regard to the present situation, both internal and external, and certainly one of the greatest causes for this anxiety is Japan's precarious international position. This is a period of crisis in Japan's history, and from the Japanese standpoint this crisis is made worse by the fact that nobody in Japan seems to know what to do to meet it.

Japanese-Chinese Relations:

Japan's international difficulties spring from her problems in China. During the past two and a half years she has spent 16½ billion yen and lost several hundred thousand of her best citizens in trying to carve out an Empire on the continent. So far she has failed and to make matters worse she doesn't know what to do to insure success. Greater military efforts are possible, but they cannot be exerted without running grave risks of internal trouble and dissention. Present military efforts have proved inadequate and no retreat is possible without endangering her hold on Manchoukuo and Chosen.

Recent Japanese military efforts have been designed to inflict severe damage on the remaining Chinese armies rather than to occupy territory. Drives to the west of Paotow into Inner Mongolia, to the north of Canton and to the west of Nanning have been made, and in each case the Japanese have withdrawn - for no good reason except that the forces used were not strong enough to defend the extended lines of communication. No real progress has been made since the capture of Nanning. Other Japanese efforts have been designed to cut the remaining supply routes to the interior of China and in this, greater success has been attained. The recent attacks on the Yunnan railway seem to have destroyed for all practical purposes the most important remaining route. Further attacks on this line and the roads from Indo-China can be expected, and if the "incident" is not settled soon, attacks on the Burma road and on the overland routes to Soviet Russia can be expected.

The Japanese public is putting great faith in the new central Government about to be formed under Wang Ching-wei. They believe that the peace terms revealed in Hongkong early in January are approximately correct. Unfortunately for Japan the acceptance of these or any other terms by a new puppet government, will not create the stability and security necessary for economic and political reconstruction. Japan must continue to lose men and to spend money in China - because if she does not she will find herself reduced to a second or third rate power and she is not yet prepared to admit defeat.

Japanese-American Relations:

The Japanese do not know what to do about their relations with the United States. They realize that it is essential for Japan to continue to export silk and other products to America and to have American raw materials available for their use and now they find themselves in the position of being assured of neither of these essentials. The action of the United States in terminating the Treaty of Commerce and Navigation has left Japan without any such assurance whatever. The Japanese Government, the Army and the people are genuinely alarmed - in spite of bold announcements that Japan will not give in to outside pressure.

If it is the considered policy of the United States to do everything short of going to war to have the Japanese continental program fail, the present policy of "non-cooperation" with Japan will be continued. Each month finds Japan becoming weaker and weaker - economically, financially, socially and militarily - and each month finds her farther and farther from her goal in China, provided Chinese resistance does not collapse completely. It might even be to the advantage of the United States to give greater assistance to China - financial, material and moral, in order to increase China's ability and determination to continue the struggle.

Many Americans appear apprehensive that such a course will eventually lead to hostilities with Japan, but it is believed that such a risk is very remote. Other countries - Soviet Russia, Great Britain, France, Germany and Italy - have supplied China with materials, money, technical assistance, etc., and have not gone to war with Japan. The United States can do the same without taking undue risks.

Other Americans believe that Japan and Soviet Russia may combine and agree to split China up into spheres of influence. This of course is possible but effective Soviet-Japanese cooperation for any great period of time seems to be entirely out of the question. The aims of these two nations in the Far East are too far apart for that to come about.

Japanese-Russian Relations:

Japan's relations with Russia are better now than they have been for a number of years, but they are still far from satisfactory. Late last year a modus vivendi extending the validity of the fishery agreement for another year was signed and trade discussions aiming at a trade agreement between the two countries are being held in Moscow. On the other hand the border negotiations held at Chita and Harbin ended in failure and the problems connected with the Japanese leases in Karafuto remain unsettled. There can be no doubt however that there has been a recent improvement in relations between the two countries - as evidenced by the lack of the usual charge and counter-charge when the Harbin conference broke up - but at the same time there has been no positive or complete rapproachement.

The fact remains that it is to the advantage of both Japan and Soviet Russia to compromise their differences to the extent of avoiding a repetition of the Nomonhan and other border incidents, and to restore normal trade relations between the two countries. This can be done without bringing up such controversial questions as Russian assistance to China, conflicting interests in Inner and Outer Mongolia and the anti-Comintern Pact. It is probable that in the end it will be done, to the mutual advantage of both countries. At the same time it appears most improbable that a genuine rapproachement, not to mention an alliance (as advocated by certain Japanese radical elements), will be brought about in the near future.

Japanese-British Relations:

Japan's relations with Britain continue to be bad, and the prospects are that they will remain bad until the China incident is settled one way or another. An important part of Japan's continental program is to eliminate foreign interests from the Far East and the nation with the greatest interests - Great Britain - happens to be the country which is the most vulnerable and least able to strike back. Japanese attacks on British interests could be expected for this reason if for no other. There are many Japanese who feel that this policy - which is really an Army-Navy policy - is a mistaken one and that it is in Japan's best interests to restore good relations with Great Britain in order to prepare for the eventual struggle with Russia. However, just as the work of this group begins to show certain results a Tientsin incident or an ASAMA MARU affair happens and the relations between the two countries deteriorate again. Public feeling in Japan toward the British will not improve for a long time to come.

Relations with other Countries:

Since Japan, at the present time, has adopted a policy of "independent and autonomous" diplomacy based upon her need to dispose of the China affair, her relations with countries other than China, the United States, Soviet Russia and Great Britain depend entirely on the attitude these countries take toward the new situation in East Asia. The anti-comintern pact has not been abrogated, since to do so might antagonize Italy, and feeling toward Germany has continued to be generally favorable in spite of the German- Soviet rapproachement. Various problems between Japan and these other countries remain but they are of minor importance. Among these are the disagreement with France over the bombing of the Yunnan railway which may make the negotiation of a new commercial pact between the two countries difficult and the termination by Japan of the Treaty of Arbitration and Conciliation with the Netherlands. These are, however, relatively unimportant compared with other problems facing all of the countries concerned.

15543-H
O-10-M

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

MAY 20 1940

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From NA/Tokyo Date April 26, 1940 Serial No. 69 File No. [illegible] (Consecutive army number each January first) [illegible] O. N. I. Index)

Source of information Press

Subject Japan (Nation reported on) (Index title as per index sheet)

Reference [illegible] INTELLIGENCE RECEIVED

Remarks.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

✓ Japanese Comment on U.S. Naval Maneuvers

While official comment on our naval maneuvers has been restrained, the Japanese press has taken the attitude that the maneuvers are a demonstration against Japan.

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U. S. GOVERNMENT PRINTING OFFICE 6—8888

Report No. 69
Japan
April 26, 1940

## Japanese Comment on U.S. Naval Maneuvers

As usual, the annual maneuvers of the United States Fleet were given the widest possible publicity in Japan. In general, the news reports and editorial comment were obviously designed to give the Japanese people the impression that the United States Navy was staging a demonstration against Japan for the purpose of restraining her and influencing her continental policy. The maneuvers were included among the other anti Japanese actions of the American Government. On the other hand official comment was fairly restrained. For example, the Naval Minister, Vice Admiral Mengo Yoshida, on 17 April informed Japanese newspaper correspondents that:

> "The American Navy makes it a practice to carry out grand maneuvers in April each year and this year, too, the United States Navy is holding the maneuvers as usual. That is all. It is unnecessary for us to consider that the grand maneuvers of the American Navy has anything to do with the establishment of the new central regime in China. The United States may attempt to utilize the maneuvers for a political purpose but even in that case our navy will feel no menace whatsoever. Our stand is always for non-menace and non-aggression."

Previous to this comment by the Naval Minister, the Navy spokesman had stated that the United States was at liberty to hold naval maneuvers to test the efficiency of the Fleet, but he hoped that these maneuvers would not "exceed defensive bounds and assume an aggressive nature". If the maneuvers extended west of the International Date Line, he added, they could be construed as being aggressive.

The following newspaper articles which appeared in important Tokyo papers are typical of the manner in which the press handled the news. The "Tokyo Asahi" on 21 March commented as follows:

> "The American naval maneuvers in the Pacific, originally scheduled for about February this year, have been postponed until May. Secretary of the Navy Edison reportedly will leave Washington shortly to view the maneuvers.
>
> "Why this postponement of the naval maneuvers? After gathering all sorts of information concerning American views of the Far Eastern situation, we reach the conclusion that the United States possibly may be trying to stage a sort of demonstration against Japan somewhere near the time of the new Wang government's inauguration.
>
> "Washington apparently is now becoming impatient over the developments in China surrounding the establishment of the new central regime under Wang Ching-wei. Possibly the forthcoming grand naval maneuvers in the Pacific aim to show off American naval strength. Japan has seen through this American threat.

"It is the secret of victory in a fight that a nation should know her own fighting strength and that of its opponent as well. Are the Japanese navy authorities fully confident of our navy's success in any naval engagements ?"

This was followed by another editorial in the same paper on 29 March:

"American naval maneuvers this year will be started in the Pacific on April 1, with Hawaii as the center of operations. Though details of the program remain as yet obscure, competent observers understand that the area of operations will be far larger than the so-called 'triangular defense area' covering Hawaii, Alaska and Panama. It will include Midway, Wake, Guam, etc. And the warcraft which are to take part in the maneuvers are reported to total 140 excepting submarines. Participating officers and men are said to number 42,000. If these figures are not mistaken, the coming American naval maneuvers in the Pacific must be said to be on an unprecedentedly large scale.

"Why such vast naval maneuvers ? The cause partly may be the tense world situation. But in this attempt of the United States we find something more, a revelation of its Far Eastern policy.

"The establishment of the new Central Government of China under Wang Ching-wei is now scheduled for March 30. Japan is thus to make a big forward step in the projected construction of a New Order in East Asia. Such a development obviously will be viewed by the United States as quite displeasing. The United States which lacks due recognition of the true motives and intentions of Japan. American moves to check this construction of a new Order include the $20,000,000 loan offered to the Chiang regime some time ago, and the forthcoming naval maneuvers in the Pacific.

"But in fact of such a challenging attitude manifested by the United States, Japan may well carry on her scheme to accomplish the historic undertaking of the East Asian New Order construction. In this connection the Japanese nation may well repose implicit confidence in the assurances given by Navy Minister Admiral Zengo Yoshida in the Diet that the Imperial navy is always prepared to cope with any developments occasioned by America's naval expansion.

"Japan may well silently work in collaboration with the new Wang Ching-wei regime in construction of the New Order. In time America will learn how unwise and ill-considered she has been to stage such unprecedentedly large-scale naval maneuvers in the Pacific."

On the same day the "Tokyo Yomiuri" offered the following:

"In the forthcoming American naval maneuvers in the Pacific, commencing from April 1, it is reported that 140 warships and airplanes and submarines of unknown number will take part. There are to be really spectacular 'cubic' maneuvers! And the area of operations, it is also reported, will cover, with Hawaii as the center, the Aleutian Islands in the north and Midway, Wake, etc. in the south. From the cope of operations it readily can be seen which nation the United States has in view as her imaginary foe. But let America do as she will.

"It has been the greatest of illusions cherished America that Japan may surrender as a result of the abrogation of the Japanese-American commercial treaty. Again she has been seriously mistaken when she thought Japan would give in to the veiled threat uttered by Ambassador Joseph Grew. Now the United States is seen to be trying to add another glaring example to her list of errors by staging the Pacific maneuvers."

Since these articles were published, there have been other newspaper comments in a similar vein, but no new points have been advanced by the Japanese journalists. They have found better anti-American material in the statements of the Secretary of State in regard to the new Nanking government and the Netherlands East Indies.

O. N. I. 56

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C-3-a

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From M/A Tokyo Date May 13, 1940 Serial No. 72 (Commence new series each January first) File No. 600-603 (Submit proper number from O. N. I. Index)

Source of information Press

Subject Japan (Nation reported on) Cities and Towns (Index title as per index sheet) Defenses (Subtitle)

Reference

Basis.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Reported Soviet Submarine Base on Komandorsky Island

Reported Soviet-German Naval Base in Possiet Bay

Japanese naval sources admit the possibility that recent reports of the establishment of Soviet-German naval bases in the Far East may be true. They are, however, inclined to doubt them.

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JUN 4 - 1940

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U. S. GOVERNMENT PRINTING OFFICE 6—8966

Report No. 72
Japan
May 13, 1940

600 - Cities and Towns
603 - Defenses

## Reported Soviet Submarine Base on Komandorsky Island

## Reported Soviet-German Naval Base in Possiet Bay

There have been newspaper reports from Shanghai that the Soviet Russians are engaged in fortifying the Komandorsky Islands, and that with German assistance they are establishing a submarine base there. Another report from Shanghai states that the Soviet Russians are allowing the Germans to establish a submarine base in Possiet Bay, south of Vladivostok.

Efforts have been made to try to learn from Japanese naval sources whether these reports are considered to be true, and if so, what the Japanese think of these developments. Only negative information has been so far obtained in Tokyo. The Japanese navy has no information on either of these reports, and from the attitude of the officers with whom the reports have been discussed, Japanese naval authorities are at present, inclined to doubt them,- although they admit there is a possibility that the reports are correct. It was stated that Japan would view with serious concern the extension of the European war to the Far East, but that there were no signs that this would take place in the areas to the north of Japan. They admitted that there were indications that the Soviet Navy in the Far East was being strengthened, and that Soviet naval activity in the Vladivostok-Nikolaevsk area was increasing, but neither of these was particularly alarming to them. The impression was given, however, that efforts were being made or would be made to try to learn whether the Shanghai reports were true.

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From N/A Tokyo Date May 14, 1940 Serial No. 78 (Commence new series each January first) File No. (Submit proper number from O. N. I. Index)

Source of information "Contemporary Japan"

Subject Japan (Station reported on) (Index title as per index sheet) (Subtitle)

Reference

Report.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

The United States Navy and Japan

MASANORI ITO

A well-known naval writer discusses the United States Navy, expressing what are believed to be semi-official views. It should be noted that he expresses the following opinions:

1. The United States Navy is too big for "legitimate" defensive purposes.

2. The latest U.S. vessels have "unusual cruising power" in contrast to Japanese vessels. This shows that the U.S. fleet is aggressive, the Japanese fleet defensive in general character.

3. The United States should revise her naval policy and maintain a "defensive" navy.

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JUN 4 - 1940

NAVAL INTELLIGENCE

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U. S. GOVERNMENT PRINTING OFFICE 6—6000

Report No. 78
Japan
May 14, 1940

## The United States Navy and Japan

The following article written by the well known naval writer, Masanori Ito, appeared in "Contemporary Japan" recently. Mr. Ito's naval connections are such that it is probably that this article was written in collaboration with officers of the Publicity Section of the Navy Department, and represents therefore semi-official views:-

"Both the Japanese Government and people have evinced extraordinary concern over debate on the Third Vinson Naval Expansion Bill before the American Congress. There are two reasons for such widespread concern; first, the political attitude which the United States has assumed toward Japan in recent months, and second, a general recognition that the American Navy's range of operations may possibly be extended to waters near Japan. The first reason is beyond the scope of this article, although the fact cannot be overlooked that the abrogation of the Treaty of Commerce and Navigation of 1911 and the United States' reluctance to enter into negotiations for its renewal or revision have left an indelible stamp on the Japanese mind as revealing an intention to negate Japan's policy toward China.

'Such being the case, some wonder whether an eventual clash between Japan and the United States can be avoided. Japan's continental advance is an immutable national policy which admits of no change or concession before foreign interference, but the United States is apparently bent upon altering this policy by its refusal to co-operate. Moreover, the United States may go to such lengths as to interfere positively with Japan's policy. In either case, whether the American attitude is negative or positive, the present situation is fraught with danger. Thus in view of the present American naval expansion programme, it is incumbent upon the Japanese nation to take a calm view of these developments and not attempt to provoke national sentiment against the United States.

'I have no reason to indict the American naval expansion programme itself, which is, of course, justified not only by American sovereignty in national defences, but also by the naval situation throughout the world. Three years ago, when Great Britain decided upon her five-year naval rearmament plan, I pointed out that one of its important results would be to stimulate American naval expansion, which in turn would affect Japan across the Pacific. Setting aside the question of its absolute necessity, it is the object of American naval policy to maintain parity with the greatest naval force in the world. It is natural, therefore, that the British expansion programme will lead to further naval construction in the United States, which will again compel Japan to build up her own forces in order to meet the larger American fleet.

'Any attempt, however, to fix responsibility for an armament race invariably ends in failure. But if viewed from another angle, from the standpoint of world peace, the American programme is open to criticism. And again, if viewed from the point of view of established strategy for national defence, the American programme raises a number of questions. If the present expansion measures are carried out,



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the United States will have a naval strength too big for legitimate defensive purposes. Can the United States, therefore, expect the world to recognize the strategic object of the American programme in the light of national defence measures ?

"The First Vinson Naval Construction Bill, which was approved by Congress in the Spring of 1934, was designed to provide for 6 battleships and 96 auxiliaries of various classes, 102 vessels in all with an aggregate of 430,000 tons. This bill was intended to build up an efficient, well-balanced fleet for the United States. It cannot be taken, therefore, as an indication of the start of naval expansion on the part of the United States, for until it was passed, the United States had had the most powerful navy in battleships and A-class cruisers, but had been qualitatively inferior in the three categories of B-class cruisers, destroyers, and submarines, which had not been maintained in strategic ratio with battleships. Besides, the First Vinson Bill was intended to build up a treaty fleet, as recognized by the naval Powers concerned.

"It was conceded as natural that the United States should replace those 15 battleships which were older than the Oklahoma, planned in 1911, while ten light cruisers were too small for the United States. There were 223 registered destroyers in the American Navy, but most of them were out of date, being emergency craft built in 1918 and 1919, so that only 50 were serviceable as first line vessels. Of the 91 submarines, about 70 were of modern type. The Vinson Bill thus aimed to replace superannuated battleships and to meet the strategic requirements in auxiliaries by the construction of modern vessels.

"As this bill was approved in 1934 when the London Naval Treaty of 1930 was still in force, it may be contended that the United States only exercised her treaty right in building 96 auxiliaries within treaty limits. For this reason, I did not regard the First Vinson Bill as a provocative bid for a naval race. At the same time, however, I could not forget the fact that a treaty fleet, composed of warships of the latest type endowed with great mobility, could find it easy to extend its offensive operations to waters near Japan proper with Pearl Harbor as a base.

"It is generally agreed that all warships built under the First Vinson Bill have been outstanding successes, entirely different from the heavy cruiser Salt Lake City, built in 1929, and the Pensacola, built shortly afterwards. Those two vessels apparently did not come up to expectations, but the cruiser Brooklyn with 6-inch gun calibre, the first vessel completed under the Vinson plan in 1938, is indeed impressive. Fifteen 6-inch guns are not extraordinary armament for a 10,000-ton cruiser, while the speed of 33 knots per hour may not be remarkable. The armour plate of the Brooklyn, however, is more than twice as strong as that of any other heavy cruiser in the world, thus overcoming the greatest defect common to this type of vessel. Moreover, the Brooklyn's range of operations is estimated to extend over 12,000 miles, a record for surface boats.

"The destroyer flotilla was generally believed to be the greatest weakness of the American fleet, but remarkable progress has been attained on this point too under the Vinson plan. For example, the Craven, the first destroyer constructed under the Vinson plan, has a displacement of 1,500 tons, but she apparently has as efficient fighting power as any other first-class destroyer in the world. Her armament is four 5-inch guns and sixteen 21-inch torpedo-tubes. Her speed of 37 knots per hour may not be exceptional, but the Craven is believed to possess a cruising range greater than that of any British or Japanese destroyer, as may be seen from the fact that she takes in 400 tons of heavy oil and can cruise 6,000 miles without depending upon depot-ships. The Somers class, which is built side by side with the Craven class, displaces 1,800 tons, is armed with eight 5-inch guns, and has a radius of action estimated at 7,000 miles. A submarine of the Perch class is said to be able to make a long cruise of 15,000 miles, though it only displaces 1,350 tons.

"These three categories under review, the cruiser, the destroyer, and the submarine, have common features in that they possess exceptionally good armament and have a large cruising radius. Whatever weaknesses these vessels may have is made up by their unusual cruising power. This reflects a bit of naval strategy peculiar to the American programme.

"It is self-evident that the cruising range of a warship cannot be increased without sacrificing its armament. An increase in cruising range not only demands more space and weight for fuel and provisions, but also special facilities for the officers and crew, with the result that a certain amount of tonnage must be deducted from that allotted for armament. Definite figures are impossible to present, but a destroyer of the Craven class might be able to add another 5-inch gun to her armament should the cruising range be reduced from 6,000 to 3,000 miles.

Japanese warships present an entirely different picture from the American in that armament is strengthened at a sacrifice of cruising range. This testifies clearly to Japan's strategic plan, which is aimed at defensive operations in the Western Pacific. The Japanese Navy has no intention to undertake transoceanic operations, so that it can easily dispense with a larger cruising range and more comfortable quarters for officers and crew. By economizing on the allotment of tonnage for these two factors, the Japanese Navy is able to increase armament and armour plate.

"All new warships of the United States are designed and built with a view to extending their cruising radius to the utmost. Such type of construction contemplates transoceanic operations. To put it in another way, the American naval building plan is based on offensive operations in waters thousands of miles from American bases of operations, namely in the Western Pacific, and area which the American Navy regards as the scene of its hypothetical battle. This is what is referred to when Japanese writers point to the menace of the First Vinson Bill.

There is no gainsaying the fact that the Vinson plan represents a legitimate exercise of treaty rights, but the new fleet built under this plan cannot be regarded in the same light as the old one, mainly because of its exceptional cruising radius. Japan's grave concern arises from the difference in an American fleet of 1,200,000 tons with a cruising range of 3,000 miles and another American fleet of the same tonnage with a cruising range in the neighborhood of 6,000 miles. The possibility that the new American fleet can easily operate in waters near to Japan can be seen from the fact that an American 1,500-ton destroyer of the Craven class can make a 6,000-mile voyage without support. Thus an American 'raider' squadron, when supplied by such an advance post as Wake or Midway Island, would be able to operate along the major trade routes of Japan for more than a week, while it would experience no inconvenience in joining the main fleet in a decisive battle. Incidentally, it may be mentioned that the 6,000-mile cruising range of a destroyer is almost the same as that of a battleship at the time of the Washington Conference, which is illustrative of the phenomenal increase in the mobility of warships.

'During 1933 and 1934 when the situation between Japan and the United States was strained as a result of the Manchurian incident, almost none of the American destroyers had a cruising range of 6,000 miles, though some 30 American destroyers had a cruising range of 5,000 miles. This shortcoming entailed serious restrictions on the operations of American battleships in the Western Pacific It is commonly recognized by naval strategists that transoceanic operations by fifteen battleships require a minimum flotilla of 90 first-class destroyers. Without such an auxiliary force, any big battleship fleet could not be expected to give a full display of its efficiency. This is the reason why I have devoted so much attention to the American destroyer-building programme. This is also the reason why I have inferred that these new destroyers indicate that American naval policy is aimed at transoceanic operations, especially in the Western Pacific.

While the American Navy was being built up to treaty strength, the Second Vinson Bill was approved by Congress in 1938, aiming at a twenty per cent. increase in the American fleet, which was about 1,200,000 tons under treaty provisions. Under the second plan 72 vessels will be built, including two super-battleships of 45,000 tons each, an aggregate total of 400,000 tons. This represents the first American step to meet the treatyless situation in naval affairs. American naval construction plans, including the First and Second Vinson Bills and the naval building programme which followed the industrial reconstruction plan of 1933 (providing for the building of 32 vessels totalling 120,000 tons) will give the United States the following ships: 8 battleships, 5 aircraft carriers, 21 cruisers, 100 destroyers, 41 submarines, and 30 special service ships; 206 vessels in all with a total of 950,000 tons.

"It is significant to note that the total strength of these new American warships exceeds the entire Japanese naval force in 1940 by more than 100,000 tons. Of these

new craft, over 90 (including six battleships) are under construction, while the keels of over 70 ships are not yet laid. Nevertheless, construction work on 24 additional ships will begin in the course of the present year. By 1942 it is believed that all these vessels will be completed with the exception of two super-battleships.

'In addition to such a gigantic naval construction plan, another naval expansion bill has been introduced in the current session of Congress. It is known as the Third Vinson Bill, and provides for the construction of 3 aircraft carriers, 8 cruisers, 58 destroyers, 32 submarines, and 31 special service ships at an estimated cost of $1,300,000,000. Strong opposition, however, was raised against this bill in view of the fact that the keels of over 70 vessels, provided for by the First and Second Vinson Bills, have not yet been laid. As a result of this opposition, the scope of the new bill has been reduced to 43 vessels, and this amendment is likely to pass Congress.

"The amended bill, however, does not represent any actual reduction in the proposed expansion programme. It merely divides the original programme into two stages. The original bill called for an expenditure of $1,300,000,000 for the construction of 95 warships in six years, but the amended bill which passed the House of Representatives calls for an outlay of $650,000,000 to construct 43 vessels in two years. It may be contended, therefore, that the amended bill contemplates even greater naval expansion than the original one. In either case, by this building programme the United States is carrying out an extended renovation of its fleet, both qualitatively and quantitatively, and at an exceedingly brisk tempo. Japanese observers cannot escape receiving the impression that by this programme the American Navy plans to extend its range of operations to the Western Pacific.

"As early as 1916 it was contended that American naval policy contemplated taking the defensive in the Atlantic and assuming the offensive in the Pacific. This contention has subsequently been substantiated too clearly to require comment here. The point to consider, however, is whether such naval strategy is possible. It was generally believed until four or five years ago that considerable difficulty would attend the execution of such naval strategy, due to an insufficient auxiliary force and the lack of proper facilities at the advance bases. Thanks, however, to a series of naval expansion plans, it is now expected that the United States Navy will be in a position to carry out its cherished strategy in a few years, thus accentuating the antagonism between the Japanese and American navies.

"In 1921, when the Washington Conference was discussing the question of a naval ratio between Japan and the United States, I wrote a number of articles for the Philadelphia Public Ledger and the Baltimore Sun regarding the 'stabilized ratio', urging that the naval ratio between the two countries should be fixed so as to make the Japanese and American naval forces insufficient for offensive purposes but sufficient for defence in order to guarantee the stability of the Pacific. I have adhered to this contention for the past twenty years, and in concluding this article, I wish to emphasize it once more.

"A naval agreement providing for forces 'insufficient for offensive but sufficient for defensive purposes' can be concluded on the basis of a ratio of global tonnages of the navies concerned or by restraint on strategic principles. In a naval agreement concluded on the former basis, the ratio of superiority to be maintained by one navy over the other must be limited to 30 per cent or less. In former times(during the naval race between Great Britain and Germany), it was contended that such a ratio of superiority had to be limited to 50 per cent., but today 30 per cent. is sufficient in view of the remarkable increase in mobility of present-day fleets. A naval agreement based on restraint on strategic principles presupposes an abandonment of offensive strategy by basing naval construction policy along defensive lines. In other words, the navies concerned would have to exercise a restraint on their strategic principles by concentrating attention on the defence of their respective territorial waters and by not designing vessels capable of operating in waters near foreign countries, thousands of miles from home bases.

"Such a defensive policy has been and is strictly adhered to by the Japanese Navy, which has never contemplated assuming offensive operations near American waters. In my opinion, the United States may maintain a standing navy superior to Japan's naval force if only the American Navy is not organized and equipped for transoceanic operations. What is important is to revise this undue ratio of superiority and for Americans to amend their mental attitude toward naval policy. When we ask the United States to do so, I firmly believe that we are not making unreasonable demands. For the sake of future Japanese-American relations and for the cause of world peace in general, it is essential that both the Japanese and American navies be maintained strictly upon a defensive basis.

N. N. L. 96

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From M/A Tokyo Date May 15, 1940 Serial No. 79 (Consecutive year series each January first) File No. (Subject project number from O. N. I. Index)

Source of information Various

Subject Japan (Subject reported on) (Index title as per index sheet) (Subtitle)

Reference

RADIO.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political entries, and the gist of the report.)

**Japanese Views on Naval Developments**

The Japanese have made much of what they term the "provocative" attitude of the United States Navy.

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U. S. GOVERNMENT PRINTING OFFICE 4—6868

Report No 79
Japan
May 15, 1940

## Japanese Views on Naval Developments

During the past several months, that is, since the termination of the Treaty of Commerce and Navigation between the United States and Japan, the Japanese have made much of what they call the "reckless anti-Japanese attitude" of the United States Navy. The following summarizes some of the official and unofficial views of the Japanese on our building program, our naval maneuvers, etc.

U.S. Naval Building Program: The policy of the United States in trying to maintain the five-three ratio is an open challenge to Japan. It is clear that the United States desires to maintain her superior position for the purpose of being able to threaten and menace Japan during peace time, and in time of war to be able to send her fleet across the Pacific Ocean and attack Japan in her home waters. The United States shows an astonishing lack of understanding of Japan's position and determination. Japan will not be influenced by American threats, and will, on the contrary, take the necessary steps to build up her Navy and her defense forces so as to be able to meet any attack.

U.S. Naval Maneuvers: The Japanese Naval Minister stated that he saw no reason to connect the annual naval maneuvers of the United States Fleet with Far Eastern problems, but this view is not shared by the Japanese press and public. The press in particular has stressed the timing of the maneuvers which coincided with the establishment of the Wang Ching Wei regime, and states that they are obviously meant as a demonstration against Japan 'in the seas near Japanese shores'. They add that while it is not pleasant to be the object of 'blunt' naval maneuvers, there is no need for the Japanese public to become alarmed. The Japanese navy is fully prepared for any emergency.

In connection with the maneuvers, the announced decision to retain the Fleet in Hawaiian waters "indefinitely" was characterized as an 'anti-Japanese move' by the naval spokesman on 9 May. He added, however, that because of the frequency of these anti-Japanese gestures by the United States Navy, the Japanese Navy did not attach much importance to this. Such a move by the United States had been anticipated.

U.S. Estimates of Japan's Naval Program: The Secretary of the Navy and the Chief of Naval Operations have made statements recently in regard to Japanese building programs. The Japanese say that it is obvious that these statements and these startling and fictitious estimates are based on unreliable information. The reasons for making these statements are, according to the Japanese, clear. Firstly, the American naval authorities desire increased appropriations and one of the best ways to get these appropriations is to exaggerate the Japanese programs. Secondly, the United States desires to know that the building program is and after over-estimating it considerably, wants Japan to make some official statement. Actually, according to press accounts, Japan has no intention of revealing her program although the American estimates are beyond the capacity of Japanese yards, even if the money were available.

Rear Admiral Taussig's Statements: Rear Admiral Taussig's statements were made, according to the Japanese view, for the purpose of influencing the Senate Naval Committee to agree to increased appropriations for the United States Navy. However, he, like most other Americans, fails to appreciate Japan's aims and intentions. The Japanese state that this 'provocative" attitude has, and will continue to prevent mutual understanding between the United States and Japan on the numerous problems that face the two countries.

N. N. I. 96

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From M/A Tokyo Date June 6, 1940 Serial No. 89 (Consecutive new series each January first) File No. 3 (Submit proper number from O. N. I. Index)

Source of information Press

Subject Japan (Nation reported on) (Index title as per index sheet) INTELLIGENCE

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Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

OPINIONS EXPRESSED BY VARIOUS RETIRED NAVAL OFFICERS IN REGARD TO THE EUROPEAN WAR

Opinions expressed by various retired naval officers in regard to the European war.

Distribution:
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U. S. GOVERNMENT PRINTING OFFICE 8—6000

Report No. 89
Japan
June 6, 1940

## OPINIONS EXPRESSED BY VARIOUS RETIRED NAVAL OFFICERS IN REGARD TO THE EUROPEAN WAR

In recent weeks the Japanese public has had the opportunity to read various opinions expressed by high-ranking retired naval officers concerning the hostilities in Europe and their effect on the Far East. Among these are articles by Admiral Nobumasu Suetsugu, Rear Admiral Gumpei Sekine, and Rear Admiral Tanetsuga Sosa.

In an article which was originally published in a Berlin newspaper Admiral Suetsugu is quoted as follows:

"The present war cannot be militarily won by Britain - neither by blockade nor by propaganda. Supplies of foodstuffs and raw materials are not cut off from Germany by a ring of enemies around the Reich. It is true that Britain has stopped Germany's overseas trade but as long as Italy and Russia are on friendly terms with Germany the eastern routes of communications from the Baltic Sea and the Black Sea stretching as far as the Far East will remain open to her. Under these conditions Germany will be able to fight ten years or longer.

"The British fleet has been compelled not only to evacuate the North Sea, but also its bases in northern Scotland and to withdraw to northern Ireland. The claim that Germany is gaining absolute control over the North Sea has been proven by such facts as the sinking of the British auxiliary cruiser RAWALPINDI and the unmolested return of the German liner BREMEN from Murmansk.

"We in the Far East are best able to judge what issues are at stake in this war. Germany's enemies aim at her destruction no matter what the German government or system of regime is.

"Of the four big neutral powers, three - Japan, Italy, and Soviet Russia - are friends of Germany. And the fourth, America, has shown no inclination to pull English chestnuts out of the European fire.

"As far as it is humanly possible to judge, England has no chance this time and the map of the world after this war will differ greatly from what it was in 1919."

In a series of articles which appeared in the Kokumin Shimbun, Rear Admiral Sekine attributes all of Japan's external troubles to Great Britain and expresses the hope that Germany will win the war to remove the menace of British Imperialism in the Far East. In a parting shot at the United States he states:

"Like Britain, the United States is apprehensive of Japan's national strength, and whenever it thinks Japan is in a disadvantageous position, it unfailingly brings pressure to bear.

"During the great earthquake of 1923, the United States manifested unusually deep sympathy for Japan, but there was purpose in this kindness, as we were soon to discover. American Congressmen, hearing that the great stores of oil at Yokosuka had been exhausted, and realizing that the destruction of Tokyo and Yokohama had weakened this country temporarily, lost no time in passing the Oriental Exclusion Act.

"We also learned another lesson in dealing with America at this time. While the bill was pending in Congress, Mr. Charles Evans Hughes, then Secretary of State and now Chief Justice of the United States Supreme Court, advised the late Ambassador Masanawa Haniwara to write a protest threatening 'grave consequences' if the bill were enacted, feeling that it would give Congress pause.

"Surprisingly enough, the warning had just the opposite effect, and the Exclusion Act was passed almost immediately after the protest was delivered.

"This incident will show that America's sympathy for Japan during the great earthquake was not sincere."

Admiral Sosa in a recent article advises the Germans to establish powerful airbases and supply depots on the Belgian coastline and then move up heavy artillery capable of firing high explosive shells into British coastal forts and into London. Then, after proper preparation, heavy bombers and transport planes loaded with parachute troops should be sent to raid strategic points in the interior of England. These should be followed by an armada of transport ships, carrying shock troops and mechanized units, protected by all available warships and waves of bombers and pursuit ships. Old freighters and other useless vessels would be used as decoys to draw the fire of the British navy. At the same time, minelaying aircraft would sow mines on each side of the transports to provide an attack-proof lane. As a precedent for such an attack the Admiral cites the successful landing of the Japanese at Byas Bay in 1938.

The above views are believed to reflect the general opinion in Japan in regard to the present European war. The Japanese public is on the whole, pro-German, and the general hope and expectation is that Germany will emerge victorious and the British Empire will be destroyed. They feel that this will result in the elimination of British power and influence in the Far East - leaving only the United States and Soviet Russia who will be dealt with at the proper time.

N. N. I. 90

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Source of information Publication, "Diamond"

Subject Japan (Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

Name.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

**AMERICAN AND SOVIET NAVAL COOPERATIONS IN THE WESTERN PACIFIC**

**JAPANESE COMMENT ON**

The following article, written by a Mr. Tadashi Saito, appeared in the 1 June issue of the "Diamond", a well known Tokyo economic journal. While it reveals a very amateurish concept of the strategic problems involved in a war between Japan and the United States, it is interesting to note that a reputable magazine like the "Diamond" would publish an article on this subject. It shows that even Japanese journalists fear possible American-Russian concerted action against Japan, and want the Japanese government to prevent this - through diplomatic maneuvers - if possible.

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U. S. GOVERNMENT PRINTING OFFICE

Report No. 92
Japan
June 12, 1940

AMERICAN AND SOVIET NAVAL COOPERATIONS IN THE WESTERN PACIFIC

JAPANESE COMMENT ON

The following article, written by a Mr. Tadashi Saito, appeared in the 1 June issue of the "Diamond", a well known Tokyo economic journal. While it reveals a very amateurish concept of the strategic problems involved in a war between Japan and the United States, it is interesting to note that a reputable magazine like the "Diamond" would publish an article on this subject. It shows that even Japanese journalists fear possible American-Russian concerted action against Japan, and want the Japanese government to prevent this - through diplomatic maneuvers - if possible.

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"The Anglo-Soviet naval agreement that was signed in July, 1937 already suggested in an unmistakable manner the British intention of making use of the Red Navy in the Far East. The agreement stipulated that so far as the warships built or the naval tonnage planned for service on Far Eastern waters were concerned, the Soviet Union assumed no obligation of notifying Britain thereof. Also, so long as Japan does not join the London treaty, the Soviet Union has no obligation to observe any qualitative restriction on the building of its Far Eastern fleet.

"It is obvious that the agreement is aimed at enabling the Soviet Union to build up a Far Eastern fleet strong enough to restrain the Japanese Navy on the Pacific. But in respect of the zeal to join hands with the Soviet Union in order to utilize its Far Eastern naval bases, the United States by no means falls behind Britain. In fact, the American Navy's plans regarding the Western Pacific for some time past have been based in a large measure on cooperation with the Soviet Navy.

"In the hypothetical event of the United States Navy sending a fleet to the Far East, three lines of attack can be visualized, as is well known in naval circles. One is to start out from the western coast of America, make Hawaii, turn slightly to the north as far as the Midway Islands and go on to Guam via Wake. The second is to go straight from Hawaii through the Marshall Islands, which are part of the Japanese Mandated Islands, to Guam and the third is to advance along the snow-bound Aleutian Islands far to the north and strike at the Kuriles. The last named line of attack requires the collaboration of the Soviet Union, only by means of which can it be expected to display perfect strategic value.

"Among the three ways by which a United States fleet may make an attempt on Japan, the third via the Aleutians is the shortest. It also enjoys the advantage that the fleet can hug close to American territory almost the entire way. There is no danger of its line of communication to the rear being cut by the enemy. This is indeed the one big merit of the third plan compared with the other two in which the United States fleet must pass through the Japanese Mandated Islands and navigate for thousands of miles constantly exposed to attacks by the enemy. It also has the added attraction that the fleet can proceed from one advance base to another, needing to cover only a short distance between two bases. Another factor in its favor is the thick fog that settles

over the area giving good cover to the fleet. Especially think is this fog over the area in the period between July and September, the only period that permits of a major engagement in the area. There is also heavy rainfall. Such rainfall and thick fog work together to hamper the operations of the submarines and aircraft that might come out to meet the attack. But in order to make the plan perfect the United States Navy must tie up with the Soviet fleet. The following are the strategic effects that the United States fleet may enjoy by virtue of such a tie.

"In the first place, it would make the strategic line for blockading the Japanese Islands so complete as to leave nothing wanting. Needless to say, the way to fight Japan which the United States thinks most effective is to blockade the Japanese archipelago. Imagine a vast area extending from the Aleutians to Guam and curving round Formosa to the south as far as the Philippines. This arc constitutes the American blockade line the United States contemplates.

"By constantly moving its warships over the Pacific along this arc, the United States can cut all the sea-borne trade of Japan. Of course all trade between Japan and the Americas will cease the moment the United States fleet begins to operate. Japan's trade route with the South-eastern Pacific countries will also be severed by the American blockade.

"In such an event, the great naval station that the British have built at Singapore will doubtless be placed at the service of the United States fleet. Then all possibility of Japan maintaining trade with the Dutch East Indies and other countries to the south must be considered at a zero point.

"This iron girdle about Japan, however, has one weak spot and that is that in the northern seas the Americas have no suitable bases from which to operate. There is, to be sure, a big naval station at Dutch Harbor at the eastern tip of the Aleutians. For some time under restrictions against fortification on account of the Washington Treaty, this large island of the north has recently become a scene of feverish armament and construction as a base. The strategic value of this naval station is equal to that of Pearl Harbor. The only drawback is that it is too far from Japan as a base for a direct attack on Japan.

"Thus the Soviet naval station at Petropavlovsk takes on much strategic significance. If the United States fleet can secure this as a base it will have a perfect foothold in the north from which to operate. The harbor having a diameter of six nautical miles,, it can fully take in the American fleet. Its position also is of vital importance. The apex of the strategic triangle which the United States Navy draws in the Pacific all but coincides with the point in which the harbor lies. Its distance, moreover, to the heart of the Japanese archipelago is only 1,600 nautical miles and it is only 200 nautical miles to the northern extremity of the Kuriles.

"If the main force of the United States fleet were to be stationed at Petropavlovsk and to threaten the northern gateway to the Japanese Islands and also the Japanese seaboard itself, the Japanese fleet would be compelled to come out and meet the Americans in the seas of the Kuriles. Would this not afford the United States Navy an opportunity to meet the Japanese in a decisive battle under circumstances most favorable to it ? The northern half of Honshu (the Main Island) will also be within

the flying radius of American bombers if the Americans intend to conduct air raids over Japan with Petropavlovsk as the base. How much better base must it make for submarines and cruisers in their destruction of the Japanese merchant shipping ?

"Furthermore, Petropavlovsk is by no means the only base that the Soviet Union can offer to the United States in the event of an American-Soviet tie-up. The seaboard of the Soviet Maritime Provinces constitutes one long chain of air bases for American fighting aircraft. Activities of light warships in the Japan Sea with Vladivostok as base would cause a grave menace to communication between Japan and the Asiatic mainland. With the trade routes to the Americas cut and the traffic with the Dutch East Indies and other countries to the south stopped, the only supply line left to Japan is the Japan Sea route between the islands and the mainland. If even this last supply artery left to Japan were cut, therefore, the very existence of the Japanese Empire would be exposed to the gravest danger.

"At any rate, any operation of the Soviet Far Eastern fleet in the Pacific in conjunction with the American fleet would tend to restrain the Japanese fleet in the north. Even while massing its main naval forces in the south, Japan must set aside part of the total naval strength to the north in order to be prepared against an attack from that direction. That, in turn, will facilitate the operation of the main force of the American Navy.

"Looked at from whatever angle, the strategic advantages that the United States can derive from tying up with the Soviet Union must be considered enormous. Thus, what we must guard against to the utmost is coordinated operations between the Soviets and Americans.

"No longer is an Anglo-American naval collaboration worth considering. Even if Britain were able to combine with the American fleet with every ship in the Empire, a combination of so many warships with many of them of the same class it can scarcely be doubted that trouble would arise over the question of command. Nevertheless, it must be admitted that even if the Soviet fleet, consisting mainly of submarines and other ships for 'surprise attacks' operate independently of the American fleet in Japanese waters, yet pursuing the same objective as the United States, then it would become a far more deadly source of menace. In this sense, we earnestly wish that the Japanese Government would subject to a most careful re-examination the foreign policy that it is to carry out for the future. "

O. N. I. 90

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Source of information Various - mostly Press

Subject Japan (Station reported on) (Index title as per Index sheet) (Subtitle)

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NOTES ON NAVAL SUBJECTS

Notes on naval subjects. Miscellaneous notes on subjects pertaining to the navy.

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U. S. GOVERNMENT PRINTING OFFICE 9—6888

Report No. 109
Japan
July 12, 1940

## NOTES ON NAVAL SUBJECTS

1.) The battleship HYUGA, carrying the Emperor of Manchukuo, arrived in Yokohama on 26 June. The HYUGA was escorted by the destroyer ASAGIRI.

2.) Rear Admiral Haruji Ohta was appointed Director of the Liaison Department of the China Affairs Board at Amoy on 2 July. He succeeds Rear Admiral Haruzo Mito in that post.

3.) Captain Hideo Hiraide, former Naval Attache to the Japanese Embassy in Rome, returned to Tokyo on 7 July.

4.) Captain Prince Asaakira Kuni was appointed Commanding Officer of the armored cruiser YAKUMO on 9 July. The YAKUMO is now attached to Yokosuka Naval Station.

5.) Lieut. Commander Prince Takamatsu, younger brother of the Emperor, was appointed Gunnery Officer of the battleship HIYEI on 3 July. He has been serving on the Naval General Staff.

6.) Admiral Kichisaburo Nomura, (Ret.) left Yokohama on 10 July for a tour of the Mandated Islands and the Philippines. He is scheduled to visit Davao on 28 July.

7.) Admiral Baron Kantaro Suzuki was appointed as Vice-President of the Privy Council on 22 June, succeeding Mr. Yoshimichi Hara who became President of the Council upon the resignation of Prince Konoye.

8.) The Navy Vice-Minister Tokujiro Sumiyama visited the Argentine training cruiser LA ARGENTINA in Yokohama on 25 June and presented its Commanding Officer with two flower vases on behalf of the Japanese Navy.

9.) A phonograph record of Admiral Togo reading the Imperial Rescript granted to those in the armed services has been presented to the Togo Memorial Society by the Victor Talking Machine Company. The society plans to keep the record in Admiral Togo's former residence where it will be played for the benefit of visitors.

10.) Admiral Gengo Hyakutake, special naval inspector, began his series of inspections at Kure Naval Station on 31 May. Amont the places inspected were the following:
Kure Naval Station; Hiro Navy Yard; Iwakuni Naval Air Station; Tokuyama Naval Fuel Depot; Oita Naval Air Station; Saeki Naval Air Station; Usa Naval Air Station; Beppu Naval Hospital; Naval Academy; Maizuru Naval Station; Kunda Naval Air Station; Naval Engineering College.
Admiral Hyakutake reported the results of his inspections to the Throne on 24 June and was the same day entertained at luncheon by the Emperor.

11.) The Argentine training cruiser LA ARGENTINA, 7,600 tons, arrived in Yokohama from Honolulu on 20 June. The Commanding Officer was received in audience by the Emperor on 22 June.
Officers and midshipmen of the ship were taken on a tour of Yokosuka Naval Station on the twenty-third and in conversations with them they revealed that the tour consisted of an inspection of the Engineering School and a luncheon aboard the MIKASA. No docks were sighted and no new construction was visible. The visitors commented on the total absence of warships at the base and on the unfavorable impression they gained

of the Japanese Navy, particularly personnel. One Commander observed, "I had heard from one of your (American) senior officers in San Francisco that your navy did not rate the Japanese very high. In the short time we have been here, I must admit that I share his opinion."

LA ARGENTINA later visited Kobe for a few days where the Commanding Officer received a flower vase from the mayor.

12.) The TAISEI MARU, 2,423 ton training ship of the Tokyo Mercantile Marine College, sailed from Yokohama for Honolulu on 22 June with 55 students on board. Many of the students were without passports and it was feared that they would not be permitted to land in Hawaii.

13.) The SHINTOKU MARU, training ship of the Osaka Higher School of Navigation, left Kobe on 19 June for a 6,400 mile trip through the Mandated Islands and Shanghai. Fifty-six students and 45 others who had received permission to make the trip were on board.

14.) The cruiser ASHIGARA entered Osaka harbor at 1:00 p.m. 25 June for the purpose of letting officers and men visit nearby shrines. The Naval Academy training ships CHOGEI and ATADA entered the harbor the following day at 3:30 p.m.

15.) The qualification examination of the A-class Aviation Preparatory Training Students for the second six months term of the current training year was as follows:

1. Physical examination.
2. Written examination
   (a) Algebra
   (b) Japanese and Chinese classics
   (c) Geometry
   (d) Chemistry
   (e) Japanese history
   (f) Physics
   (g) English
   (h) Geography
3. Oral examination.

Candidates must have been born between 3 December, 1920 and 2 December, 1924, and successful candidates were admitted for training to the Kasumigaura Naval Air Station. The number of students selected is not known.

16.) The principals of 115 schools in the Maizuru Naval Station district assembled in Maizuru on 15 July for 4 days naval training. A similar group will be formed to receive the training in September. Upon their return to their schools the principals are supposed to lecture students on naval subjects.

17.) The minelayer OKINOSHIMA was moored in Tokyo for several days until 1 July, when it returned to Yokosuka Naval Station. On its return trip it carried about 500 officials and civilians as passengers for whom it held various drills and maneuvers.

18.) According to a press report the following officers and men were killed in an accident while conducting training (the nature of which was not stated) in Tsugaru Strait:

Rear Admiral Teizo Matsuo
Captain Jiro Ishihara
Captain Yozo Okada
Commander Masao Tsukata
1st Class P.O. Tatsumi Kobayashi
" " Masashi Tanaka
" " Yoshio Komatsu

2nd Class P.O. Sachio Muramatsu
" " Hisao Nakada

All were attached to Ominato Minor Naval Station. It was later learned from a reliable source that the above men were killed in the crash of a "new type bomber" which was being tested.

19.) Planes attached to the Iwakuni Naval Air Station staged an air pageant on 8 July for some 400 guests including the Commander in Chief of the Kure Naval Station, Vice Admiral Hibino, Supreme War Councillor Admiral Hasegawa, and the Superintendent of the Kure Naval Arsenal, Vice Admiral Niimi.

20.) Contributions to the Navy since the outbreak of the Incident now total ¥50,803,004. Besides monetary contributions, 1,312,511 comfort kits and 8,993,795 other articles such as newspapers, magazines, food, etc., have been received.

21.) Press reports state that Japanese shipbuilders are now receiving many orders for ships from more than ten countries including Britain, Siam and South American countries. It is said that the Communications Ministry will permit the execution of the orders provided that Japan's shipbuilding program is not impeded and provided the country concerned furnishes the necessary steel. Also, ships of more than 9,000 tons will not be constructed for fear of revealing the secrets of Japanese building technique.

22.) The statement by Senator Walsh to the effect that the United States could not successfully wage war against Japan without aid from England and France was prominently featured in the Japanese press. In commenting on the statement, the Navy spokesman stated that the views of an individual American senator do not relieve Japan of "grave concern" in regard to the activities of the American navy. He added that Japan attaches much more importance to concrete facts and deeds than to mere verbal gesture.

23.) In a recent poll of the parents and guardians of college students in Japan, the following question was asked:

"Should Japan go to war with America if the latter attempts to restrain this country from securing the resources of the Netherlands Indies ?"

The question was answered affirmatively by 6,428 and negatively by 1,334.

Another question was, "Which would you prefer to see win the European War,- Germany or Britain ?"
Germany was favored by 9,697 and Britain by 344.

24.) According to figures announced by the Communications Ministry the following ships of over 1,000 tons were registered in Japan at the end of April, 1940:-

| Tonnage | Number of ships | Gross tons | Net tons |
|---|---|---|---|
| 1000-1999 | 26 | 388,011 | 228,947 |
| 2000-2999 | 192 | 475,871 | 285,625 |
| 3000-3999 | 158 | 533,703 | 318,180 |
| 4000-4999 | 131 | 586,268 | 370,551 |
| 5000-5999 | 160 | 888,253 | 591,741 |
| 6000-6999 | 106 | 698,430 | 447,366 |
| 7000-7999 | 65 | 474,215 | 293,847 |
| 8000-8999 | 37 | 313,883 | 198,215 |
| 9000-9999 | 28 | 266,944 | 161,255 |
| 10000 and over | 37 | 462,736 | 288,901 |
| Totals | 1175 | 5,088,314 | 3,184,628 |

O. N. I. 96

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

C-10-M 15543-I

AUG 31 1940

# ATTACHÉ'S REPORT

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From N/A Tokyo Date August 5, 1940 Serial No. 119 (Commence new series each January first) File No. 100-105 (Select proper number from O. N. I. Index)

Source of information Japanese Navy Dept. Publication

Subject Japan (Nation reported on) Political (Index title as per index sheet) International Relations (Subtitle)

Reference N/C

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

JAPANESE NAVAL VIEWS ON AMERICAN-JAPANESE RELATIONS

In a pamphlet, designed primarily for propaganda purposes, the Japanese Navy Department sets forth the official views on various subjects. Sections dealing with American-Japanese relations are translated in full, other sections of the pamphlet in outline.

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U. S. GOVERNMENT PRINTING OFFICE 6—2000

Report No. 119
Japan
August 5, 1940

100 - Political
103 - International Relations

# JAPANESE NAVAL VIEWS ON AMERICAN-JAPANESE RELATIONS

As usual on the Japanese Navy Day (27 May), the Japanese Navy Department issued a pamphlet in which world naval and political problems were discussed. This pamphlet is issued primarily for home consumption and is designed to guide and educate the Japanese people along the lines desired by the Navy Department. Most of the pamphlet is pure propaganda and therefore of little interest or value. However, certain portions, particularly those dealing with American-Japanese relations are of interest since they indicate the official views of the Department on these relations.

The pamphlet this year is divided into 16 chapters. These chapters are as follows:

I. Navy Day in this 2600th year of the Japanese Empire
(Foreword by Vice Admiral Yoshida, the Minister of the Navy)

II. The 35th Anniversary of Navy Day.
(Introduction by Rear Admiral Kanazawa, Head of the Publicity Section, Navy Department)

III. The organization of the Country for protracted warfare and the mental attitude of the People.
(The Japanese people are urged to face the difficulties of the long drawn out hostilities with a united front)

IV. The Imperial Navy and the 2600th year of the Japanese Empire.
(The people are urged to recall the past glorious exploits of the Navy, the part the Navy has played in development of the Empire, and to be resolved to support the strengthening of the Navy)

V. Review of the operations and achievements of the Navy during the 3rd year of the "Holy War".

VI. The Influence of the Sea on Japanese History and on Present Day Greater Japan.
(The Future of the Empire depends on an expansion on the continent which in turn depends on Sea Power)

VII. The Battle of Tsushima

VIII. The great achievements of Admiral Togo.

IX. The Naval Situation of the Worlds Powers.

X. Recent American Attitude regarding the Far East.

XI. The Brilliant Japanese Navy.

XII. Why the Japanese Navy is strong.
(The Navy is strong because it has the full support of the Japanese people.)

XIII. The War of Nerves.
(The people must beware of attempts to create unrest and must face the future with the same indominatable spirit that Admiral Togo showed in the Russo-Japanese War)

XIV. The sea and air Defenses.
(The defense of the Empire depends not only on the Navy but on the Air Forces as well. The people must be prepared to take their part in Air defense)

XV. The "Spirit of the Imperial Way" as seen on the Battle field.
(Brief accounts of heroic exploits during the current China hostilities.)

XVI The Japanese women and Defense against foreign spies.
(All Japanese and especially Japanese women must be on their guard against foreign spies.)

The above is a general outline of this propaganda pamphlet. The following is a translation of that portion of the pamphlet which is believed to be of interest:-

"Since the outbreak of the China incident, America has been following the development of the situation with strict watchfulness, while showing throughout a pro-Chiang Kai-shek and anti-Japanese attitude, secretly or overtly. With progress of Japan's strategical and other operations, that country gradually has been hardening its attitude against Japan. It showed one threat to Japan by announcing its decision to renounce the treaty of trade and navigation last July. Japan had undertaken diplomatic negotiations in all sincerity to seve the situation, but, ignoring these the United States caused the treaty to be nullified after January 26 of this year. Moreover, heated discussions have been raging pro and con in the present session of the Congress with regard to the proposed enforcement of an embargo against Japan. Actually, there is no knowing what serious economic pressure America will bring to bear on Japan, and when. Indeed, that country has already been carrying out a so-called moral embargo against Japan, that is, it secretly has been enforcing restrictions on exports here.

"On other hand, America, since the Manchurian affair, has been carrying on a heavy armament expansion program with Japan as the country in mind. This has been accelerated especially since the outbreak of the China incident. Then again, following the start of the European war, America has been pushing war preparations on a big scale on the plea of maintaining its neutrality. It is apparent, however, what an ulterior motive it has in view. It is against Japan, of course.

"It is superfluous to point out that it is in accordance with its traditional Far Eastern policy, Chinese territorial integrity, Open Door and equal opportunity, that is, in deference to the spirit of the Washington Nine-Power Pact, that America has been maintaining its attitude of support for

the Chiang Kai-shek regime and against Japan. The real fact of the matter is that America has been making a point of preventing Japan's expansion in general and its advance into China in particular behind the tantalizing mask of its so-called Far Eastern policy. As a matter of fact, that country has been showing a readiness, in order to enforce this policy of intensifing its economic pressure on Japan, and even has been making a threatening demonstration of force of arms.

"Japan, for its part, is firmly resolved to carry out consummation of its set diplomatic policies which are imperative for maintenance of peace in the Orient and for its national existence, no matter what sacrifice may be required. This is particularly the case with the task of settling the China incident. This position of Japan is as incontrovertible as it is unshakable. Indeed, it is as firm as a rock. In this, Japan can ill afford to do America's bidding. It is foolish, then, for Japanese to allow themselves to be beguiled by the speeches and acts of the limited number of Americans who are comparatively favorable to Japan, and to paint a rosy picture of future relation between the two countries.

"In short, the subjects of the Japanese Empire, entrusted as they are with the heavy responsibilities of building up a new order in East Asia, must put forth every ounce of their energies for strengthening the national power with fortitude, firm resolutions and an invincible spirit, resolute to overcome any trials.

"On the outbreak of the European war in September of last year, America, on the pretext of requiring a sufficient force of arms in order to maintain its neutrality, began war preparations on a huge scale. For instance, many reserve naval craft were placed in commission, the naval force reinforced all round, already fixed naval and military programs were accelerated defenses of the coast and other places of strategical importance increased, information and anti-espionage organs extended and change made in the disposition of the naval and military forces. But then the European war showed no such rapid development as first had been expected, and America found it unnecessary to have any big military power to maintain its neutrality. American authorities saw no necessity for participating in the European war for the present at least, nor are the majority of its people willing to join it. In spite of all this, the Government has not relaxed its efforts to reinforce the wartime national organization but has actually been strengthening it.

"What is the object of the present warlike preparations on the part of America ? The answer is obvious. It is all plain even to the man in the street, let alone persons of good sense. It is against Japan that the American armament expansion is aimed, of course.

"The present expansion of American war preparations against Japan, in outline, is as follows:

" 1.) The naval force eight (first-class cruisers, one aircraft carrier, one light cruiser, 18 destroyers and other craft) which were dispatched to Hawaii last September, will be stationed there as part of the regular naval units for the time being, despite rumors to the contrary.

" 2.) Fifteen fighting aircraft, along with the aircraft carrier Langley, were sent to Manila late in September of last year, and early in December six superior submarines of latest construction (P type) also were sent there. This act of America in reinforcing its armaments in the Orient is expected to be continued in the future.

" 3.) Appaorimately 110 destroyers and special service vessels of old type so far out of commission, have been repaired and refitted. The greater number of them already have been placed in commission, while the remaining ones will follow in the not distant future.

Vessels Recommissioned

" 4.) For manning the reserve vessels now placed in commission as well as the newly built craft, the American naval authorities early in September issued an order for an increase in the numerical strength of the navy by 35,000 (inclusive of marines), and later in the middle of December, it is said, a further 30,000 more were called. As a result, it is estimated the total naval numerical strength reaches approximately 200,000. At any rate it appears that the American naval authorities are endeavoring to man 100 per cent the entire fleet under wartime organization.

" 5.) Further, under the naval building program of 1938, that is, the so-called second Vinson plan, work has begun to increase the total tonnage of battleships to approximately 1,530,000 tons and of special service ships to some 110,000 tons, that is, 20 per cent in excess of the treaty naval strength for America. Other programs also have been under way, including one for constructing 3,000 naval aircraft, for constructing 500 large merchantmen over a 10 year period with 50 ships laid down yearly, and for extending the air and submarine bases of operation in the Midway zone. It is possible that the battleship tonnage, at the end of the program, will exceed 1,650,000 tons, as in the future an increase probably will be made in the size of ships.

" 6.) Not content with the above plans, the American naval authorities are contemplating further expansion. They have introduced into the present session of Congress bills involving a total outlay of $1,300,000,000. Of the plans, one is the so-called third Vinson plan and is aimed at building 77 aircraft carriers, cruisers of large size, destroyers, and submarines to a total tonnage of 400,000 in the course of three or four years, as well as constructing naval aircraft up to a number of 6,000.

Bases to be Enforced

"There also is a plan for repleting the provisions of the various air and submarine bases of operation on an extensive scale. Under these plans, it appears the building of huge battleships and super-big-type cruisers is contemplated.

"The aforesaid third Vinson plan at present is under discussion in Congress. The contents of the plan, as approved by the House of Representatives at its plenary meeting on March 12 this year, are as follows:

"Aircraft carriers - - 79,500 tons
Cruisers - - 66,500 tons
Submarines - - 21,000 tons
Total - - 167,000 tons

Special Service Ships - - 75,000 tons.
Aircraft - to be increased to 4,500 in number.
Airships - to be increased to 12 in number.
Time of completion - 2 years.
Cost of Construction - $654,902,000.

"The above table shows that the expenditure of $1,300,000-000, as demanded in the third Vinson plan in its original form, has been reduced to $650,000,000, and this, on the face of it, gives the impression that the original plan has been scaled down. In reality, however, this revised plan is one for speedy realization of naval expansion with an eye to an acceleration of naval craft building. This is an important point particularly to be noted by Japan.

"Originally, that is, under the first Vinson plan, the American naval program was aimed at maintaining the naval power up to the old treaty naval strength, while under the second Vinson plan, 18 battleships, five aircraft carriers, 16 cruisers, 72 destroyers and 36 submarines were to be constructed in the course of about 10 years from 1938 to 1947. But, the third Vinson plan, which has been brought into the present session of Congress demands a 25 all-round increase in the naval forces as fixed under the second Vinson plan, and also contemplates an additional construction of craft before mentioned during the 1941-44 period.

"In point of fact, however, the second Vinson plan itself has just got under way: most of the craft contemplated still remain a 'fleet on paper'. To this fleet on paper, the third Vinson plan means to add another fleet on paper. 'This is meaningless,' insisted Congress, which maintained that the pre-arranged plan should first be carried out by moving up the general arrangements as well as the date of completion, and then an additional building plan should be undertaken, provided there is found room for it. This was the reason for Congressional opposition to the third Vinson plan. Hence the aforesaid revision.

"From the above, it is evident that the American navy has been awakening to past criticism of its 'fleet on paper' to a practical sense of the necessity of a 'real fleet'.

"To sum up in a word, the basic point of the revised Vinson plan is to complete the naval building plan on the whole by 1943-44, and to undertake a new plan after that as occasion demands. It is needless to point out that this revision has been prompted, too, by the present strained world situation. Under the available naval plan, America will be carrying out fully its cherished aim of large craft and big guns.

"The plan for extension of the Panama Canal, involving the construction of new lock-gates for the canal at an outlay of $277,000,000 extended over six years, which was passed by Congress last summer, is already on the point of being undertaken.



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"A sweeping change has been made in the appointments of important posts of the American navy since last summer. Most notable among the changes are the promotion of Vice-Admiral Stark, comparatively young, capable and with great promise, as Chief of Operations in June last and the appointment of Admiral Hart, leading authority on submarine operations, as Commander-in-Chief of the Asiatic Fleet. No less important are the appointment early in January this year of Admiral Richardson as Commander-in-Chief of the combined fleet and the transfer of Vice-Admiral Block, ex-Commander-in-Chief of the same fleet, to the post of commander of the naval station at Pearl Harbor in Hawaii (Commander of the 14th naval district). From all this, it is not difficult to conjecture what is the real intention of the American navy. After having thus readjusted its entire organization, the American navy has carried out grand maneuvers with the participation of all the fleets over an extensive area in the eastern Pacific covering the Aleutian Islands and Hawaii for a period from April to May this year.

"The American army, too, in view of its original duties (of co-operating with the navy in trans-oceanic operations and defending the mainland of America as well as the important places in outlying possessions) has been repleting its force and equipment. It newly recruited about 200,000 men in September and December last. It has decided, it is said, to increase the numerical strength of the standing army to approximately 600,000, including 280,000 regulars. It has also been endeavoring to reinforce its fighting strength by adjusting its organization and improving its equipment. Besides, it has been pushing on its program for constructing 6,000 military aircraft, which include, it should be noted, many trans-ocean bombers of big type.

"The national defense estimates for the next fiscal year submitted to the present session of Congress at the outset amount to $2,300,000,000. This manifestly is an unprecedentedly huge defense appropriation in peace time, sans pareil in the financial annals of America. And this remains the same, even supposing that some revision be made in it. Of these estimates, it is reported that those concerning the navy passed the plenary session of the House of Representatives on February 16. The naval estimates in question total $966,000,000.

"It may also be noted that the Naval Secretary on January 3 this year presented a demand to Congress for enacting a law investing the President in peace time with authority (as given to the President when America participated in the last European war in 1917) to set about regular naval war preparations (inclusive of requisition of vessels and factories). This demand has finally been withdrawn because of its unpopularity, it is true, but this bare fact is sufficient to show the real disposition of the American naval authorities.

"In short, the naval and military preparations America is going to complete in the near future mark the maximum possible under the President's peace-time competency. Still, America is straining every nerve to build up its navy to an overwhelming predominance over that of Japan, and to complete its military preparations. Here, too, is apperent what an ulterior motive is in view in all this.

"America seeks an outlet for the development of its national power in North and South Americas and in the Far East. It applies



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the Monroe Doctrine to the former and upholds the three principles of maintenance of China's territorial integrity, the open door and equal opportunity to all with regard to the latter. This two-phase world policy constitutes the basic structure of American national policy. Claiming that the object of national defense is to uphold the national policy, it is adopting a defensive strategy vis-a-vis Europe in upholding the Monroe Doctrine, and in its Far Eastern policy it is prosecuting offensive strategical preparations. This aggressive strategy America sets firmly as the fundamental policy in its warlike tactics against Japan. It is a well-known fact that all war preparations, naval and military armament building and disposition of the naval and military forces, are based on the afore-mentioned policy.

"If the American Far Eastern policy is scrutinized beyond mere surface details, it becomes clear that the aforesaid three principles for the Far East have now come to be nothing but a hindrance to Japan's advance and development in China, now that the British, French, German and Italian influences in the Far East have markedly dwindled. To put it differently, America is afraid Japan may become so strong as to be a menace, and is trying to nip the possible Japanese menace in the bud.

"This is quite evident even from the policy of pressure on Japan, America has been pursuing after the Russo-Japanese war, especially since the Washington agreement in 1921. Then, again, in connection with the present China incident, it has been making persistent protests to Japan on the plea of the latter's alleged transgression on its nationals' rights and interests in China, which at best are petty and negligible, if any. This state of things can readily be understood if one thinks of the real motive of that country's Far Eastern policy.

"Therefore, America has failed to understand the fair and proper attitude Japan has been taking since the outbreak of the China incident. It even went so far as to renounce its treaty of trade and navigation with Japan all of a sudden. And by so doing, it has reserved the freedom of taking measures of economic pressure against Japan. From this unfriendly gesture by America, Japan received a painful impression, of course. But Japan carried on negotiations with a view to adjusting relations in all sincerity, but America has ignored these. Moreover, America is disposed to look askance at the new central government of China.

"In fine, the traditional Far Eastern policy of America has for its true object the preventing of Japan's expansion and development, and this policy is backed by its formidable navy and army, as well as by its huge economic power. Even at present, this American Far Eastern policy undergoes no change. Not only that, but, to all appearance, it is being strengthened. It would be premature to think that because America has not been indulging in blunt anti-Japanese speeches and actions of late, its attitude toward Japan has taken a favorable turn. American sentiment and attitude toward Japan are deep-rooted and firm-set, and their motive factors are very strong. Therefore, it would be unwise for Japan now to be glad, now sad, because America's attitude temporarily has softened or hardened.

"It is a measure of economic pressure that America has devised as the most effective means, except war, for carrying out its Far Eastern policy, in other words, for restraining

Japan's action in China. This is based on the following reasons:

"With its armament as it is, America is not confident of its ability to beat Japan in war. Though there are not a small number of advocates of war with Japan in the ranks of the American navy, the American people in general, let alone pacifists, are against war.

"America is imbued with the very simple thought that should it put an embargo on export of requisites for war to Japan, it would be depriving the latter of its power to carry on its military actions in China. It thus lacks recognition of Japan's firm resolution to see the China incident to a complete settlement.

"America has thought that its embargo against Japan would be telling on the latter, as since the outbreak of the European war, the exports to the latter from European countries, including Britain and Germany, have markedly decreased.

"Intending, from the above reasons, to intensify its procedure of economic pressure against Japan, America, as a first step, has denounced the trade agreement with the latter, and has thus prepared the ground for carrying out an embargo at any time.

"If, however, America carries out an embargo or economic blockade against Japan, such measures will prove a two-edged weapon, and not only Japan but America itself will thereby be placed at a disadvantage. In this connection, America is handicapped in the following respects:

Japan Underestimated

"The American side, too, will be **hard** hit economically, as is easily conceivable. First and above all, American traders and manufactures are dead against any extreme measure against Japan.

"2.) Many persons in America are against economic pressure against Japan fearing that it will eventually lead to an armed clash.

"3.) As a counter-measure, Japan will possibly open up new international relations elsewhere so as to meet the emergency situation.

"4.) The resources of Japan are not really so poor as they are represented to be through propaganda by the Chiang Kai-shek regime and other anti-Japanese quarters. As a matter of fact, the China incident has lasted for two and-a-half years now, and yet Japan is not subjected to any such severe control as is seen in the belligerent countries in Europe. It is dangerous to estimate the real power of Japan too low. Besides, in case of rupture of economic relations with America, Japan will take every effective measure possible to insure imports from third countries.

"Also there are various factors restraining America from going to extremes with Japan. Actually, opinion is gaining ground in that country in favor of prudence and caution in this connection, and the weight of public opinion manifestly inclines against any such hasty act as a general embargo against Japan. The anti-Japanese embargo bill presented by Senator Pittman to the present session of Congress has proved anything but popular, and indications are that Congress will refrain from acting on it, during the present session at least.

Moral Embargo Continues

"Be that as it may, it is not that America has relaxed its hold of economic pressure on Japan. Externally, America is refraining from codifying anti-Japanese economic measures in order not to incite Japanese sentiment, it is true, but internally it is already enforcing an embargo against Japan in part through moral direction and encouragement and by administrative procedure. This is called in America the moral embargo, but seen from the Japanese side, it is not moral at all, but should be called an unfriendly administrative embargo.

"To state it more precisely, America, through administrative measure and guidance, has been enforcing against Japan an embargo of aircraft, materials for aircraft manufacture, including molybdenum and aluminum, and appliances for manufacture of petrol for airplanes. And under pretext of the European war America is contemplating the enforcement of a rigid quota system, for exports of scrap iron to Japan, the intention being to reduce its exports to Japan to half the amount of last year. Other instances in which America is trying to put restraints on Japan are simply too numerous to mention in particular. To cite only some few instances, it has been raising the prices of exports to Japan, delaying acceptance of Japanese orders, and lowering the quality of exports to Japan. As it is, there is absolutely no guarantee that America will not carry out a general embargo against Japan at any time in the future.

"As stated above, American pressure on Japan, backed by a strong force of arms and economic power, has been intensified and less disguised. And on the other hand, America has been rendering support to the Chiang Kai-shek regime, secretly and openly, evidently with the idea of prolonging the China incident. Therefore, the Japanese nation must be prepared to meet this grave situation with firm resolutions."

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N. N. I. 90

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

AUG 1940

# ATTACHÉ'S REPORT

15544-A C-12-M

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NAVAL INTELLIGENCE

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SECOND KONOYE CABINET

The Second Konoye Cabinet has been organized with Army support to:

(a) create a "national defense state" on Fascist lines;

(b) take advantage of the present "golden opportunity" to seize French, British, and Dutch possessions in the Western Pacific Area.

The Cabinet is moving slowly, but is making preparations to accomplish these objectives. Much depends on the success of the expected German attack on England since Japan feels that she must wait the outcome of that struggle before taking definite action to align herself against Great Britain and the United States.

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U. S. GOVERNMENT PRINTING OFFICE 4—6000

Report No. 122
Japan
August 7, 1940

104 - Political Parties
200 - Principal Leaders

## SECOND KONOYE CABINET

The Second Konoye Cabinet which was formally invested on 22 July is made up as follows:

| Office | Name | Age |
|---|---|---|
| Prime Minister | Prince Fumimaro Konoye | 50 |
| Foreign Minister (concurrently Overseas Minister) | Yosuke Matsuoka | 60 |
| Navy Minister | Vice Admiral Zengo Yoshida | 55 |
| War Minister | Lt.General Hideki Tojo | 56 |
| Home Minister (concurrently Welfare Minister) | Eiji Yasui | 50 |
| Finance Minister | Isao Kawada | 57 |
| Justice Minister | Akira Kazami | 54 |
| Education Minister | Kunihiko Hashida | 58 |
| Agriculture and Forestry Minister | Tadaatsu Ishiguro | 56 |
| Commerce and Industry Minister | Ichizo Kobayashi | 67 |
| Communications Minister (concurrently Railway Minister) | Shozo Murata | 62 |
| Minister without Portfolio (concurrently Director of Cabinet Planning Board) | Naoki Hoshino | 48 |

- - - - - - -

The policies which the Cabinet will follow in foreign and domestic affairs are still unrevealed; the vague and indefinite statements which have been made by the Prime Minister and other members of the Cabinet giving little indication of any concrete plan or plans. It is apparent, however, that there will be changes, or the Konoye Cabinet will also be forced to resign after a very brief period in office, in spite of the fact that it now has the support of the Army, the people and the various political groups.

In considering the probable policies of new government, it is of interest to note the reasons why the Army forced the resignation of the Yonai Cabinet. Admiral Yonai had been following the policies of the previous Prime Ministers as regards the China Incident, but had:

(a) refused to lend active support to the one-party plan sponsored by Rightest Groups and the Army, with Prince Konoye as the nominal head.

(b) refused to consider any steps which might align Japan definitely with Germany and Italy as opposed to Great Britain and the United States.

(c) refused to abandon the policy of "non-involvement" in the European war, thereby, according to his critics, missing the present "golden opportunity" to expand southward at the expense of the British, French and Dutch.

It can be safely assumed, therefore, that the present Government will change the above policies and will adopt, as long range plans, the following:

(a) an effort will be made to form a new political structure which will include all factions and groups. The exact nature of this structure is not clear, even to the leaders of the movement, but it is certain that great difficulties will attend the formation of a single Fascist or Nazi party organization. It is expected that concrete steps will be taken in the near future and that Prince Konoye will issue a statement sometime this month.

(b) Japan will be transformed into a "national defense state", and an even larger part of the energies, and wealth of the nation will be devoted to national defense. To accomplish this, three men who have had long experience and moderate success in transforming Manchukuo into such a state have been given key positions in the Cabinet. These men are Foreign Minister Matsuoka, War Minister Tojo, and Minister without Portfolio (Director of the Cabinet Planning Board) Hoshino. More strict government control of all phases of national economy and a lowering of the standard of living of the people have already been predicted by Mr. Hoshino.

(c) The "yen bloc" plan will be accelerated, and plans for economic cooperation among Japan Manchukuo and China will be pushed. In particular, an effort will be made to increase the supply of raw materials from China and Manchukuo to Japan.

(d) Without losing sight of the importance of a speedy settlement of the China Incident, Japan will begin the "Southward Advance" as soon as a good opportunity presents itself. Preparations for this advance have already been made by the Army and Navy. The first attack (or"protective occupation") will probably be made on French Indo China since such a move will not involve Japan in a war with Great Britain and Holland, and will, in Japanese opinion, probably not arouse the United States to the point of breaking off relations or placing an embargo on materials to Japan. When French Indo China is occupied, and if and when the British are defeated in Europe, Japanese plans for the Netherlands Indies will be started.

(e) While Japan will take no immediate action to align herself with Germany or Italy, her policy of expanding southward will inevitably bring her closer to these powers. She will, at the same time, try to prevent being isolated in order that she will not have to face either Soviet Russia or the United States unaided.

It is difficult at this time to predict either the success or the failure of the Second Konoye Cabinet, since so much depends on the ability displayed by the government in regimenting industry and the life of the people. At the same time events in China, Europe and the United States have a tremendous bearing on Japan's future. The fact that Japan has been greatly weakened by the strain of three years' hostilities in China must not be lost sight of, and the fact that at the present time there are serious shortages of almost all important commodities must be borne in mind. Japan has displayed remarkable and unexpected strength in carrying on the China Incident, but she has been able to carry on because of her free access to the markets of the world. Without these markets,- which would be largely lost in the event of a war with Great Britain or the United States,- the situation would be completely changed. It is to be seriously doubted whether Japan, in her present exhausted state, could carry on a major war with Soviet Russia, Great Britain or the United States for more than a year without collapsing completely.



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O. N. I. 88—1940

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

SEP 25, 1940

# INTELLIGENCE REPORT

Serial No. 129
(Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 100-104
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Office of Naval Attaché at Tokyo, Japan Date September 3, 1940
(Ship, fleet, unit, district, office, station, or person)

Reference
(Directive, correspondence, previous related report, etc. if applicable)

Source Personal observation, Press Evaluation Reliable
(As official, personal observation, publications, press, conversation with—identify when practicable, etc.) (As reliable, doubtful, unverified, etc.)

Subject Japan — Political - Political Parties
(Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basic.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## POLITICAL PARTIES DISSOLVE

Japanese political parties have dissolved to make way for a new political structure with a single party. The Japanese public approves the change. It is probable that Army control of the nation will be simplified by these developments.

Distribution By Originator: ONI (7); CinCAF (1); Com 16 (1); High Comm'r of P.I.(1); Embassy (1); NA/Peiping (1); ENA/Shanghai (1); N/A Tokyo (1); File (1).

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U. S. GOVERNMENT PRINTING OFFICE 16—18402

Report No. 129
Japan
September 3, 1940

100 - Political
104 - Political Parties
100 - Political Parties

## POLITICAL PARTIES DISSOLVE

The political parties which, up until the last few years have played an important role in Japan's political structure, have dissolved, and for the first time in some sixty years Japan has entered a "partyless period". This dissolution for the announced purpose of assisting in the formation of a single party which will meet the "present requirements" was on the surface, accomplished by the parties themselves. Actually it was the result of a combination Army pressure and "boring from within" plus the popular demand to do something concrete to settle the China Incident. The coming election in April 1941 was also a most important consideration for the "reformists". How long the present situation will continue is not known but a committee appointed by Premier Prince Konoye is now at work on the plan for a new political "structure". Presumably the plan will be completed and the new structure set up in the near future.

The movement for a single party has gained in momentum since the beginning of the China Incident in 1937, and has been especially strong since June 1940, the month of the greatest Nazi and Fascist successes. On 24 June, Prince Konoye resigned from the Presidency of the Privy Council, in order to be free to undertake the formation of this single party. There was considerable opposition from Japan's professional politicians to the movement, but one by one the parties were forced to disband - the Social Mass Party on 6 July, the Kuhara faction of the Seiyukai on 16 July, the Kokumin Domei on 26 July, the Nakajima faction of the Seiyukai on 30 July and the Minseito on 15 August.

While too much importance should not be placed on this latest political development, it may have very far-reaching effects. For the past few years,- at least since 1937,- the role played by the Japanese political parties has been a very minor one. The Diet has met and has gone through the motions of passing legislation, but governmental (that is, Army and Navy) measures have met with little or no opposition. Criticism of the armed service or of the conduct of the China Incident was carefully suppressed and any attempt to discuss controversial subjects in open session was avoided. In some instances critical speeches were not published to the people and in one case (that of Mr. Saito in the last Diet session) the critic was expelled from the Diet. However, the presence of a number of diverse political groups in the legislative body was a source of embarrassment to the Government and Army, and was one of the weakest spots in the "national defense state" which the Army plans to form. In order to be sure of controlling the politicians it was necessary to discredit them in the eyes of the people, to "bore from within" to break them up into small and weak groups and then to choose an easily-lead person with a great name to form a new party. This process is now being carried out.

The skill with which this work has been done is shown by the fact that there has been no adverse comment on the part of the Japanese people to the doing away of the party structure which has existed since 1881. It is probable that the party system meant little to the average Japanese and that Japan is not a country in which western parlimentary practices can flourish. At any rate the single party experiment will be given a chance.

Army officers will no longer be able to say that "if there are political parties which place their own interests above state interests they must either change their ideas or be required to dissolve". In the coming general election, scheduled for April 1941, the Army can have an important voice in selecting candidates of the proper political views.

N. I. 96—1940

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**OFFICE OF CHIEF OF NAVAL OPERATIONS**
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# INTELLIGENCE REPORT

Serial No. 130 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 100-104 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Office of Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo, Japan Date September 4, 1940

Reference N.A. (Directive, correspondence, previous related report, etc. if applicable)

Source Personal observation, Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Political - Political Parties (Main title as per index guide) (Subtitles) (Make separate report for each title)

Digest.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## "NEW POLITICAL STRUCTURE"

The new political structure of Japan is now in the formative stage. It will, according to reports, embrace all parties and factions, and will have a close liason with the Army, but it is still an unknown quantity.

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U. S. GOVERNMENT PRINTING OFFICE 16—38019

Report No. 130
Japan
September 4, 1940

100 - Political
104 - Political Parties
100 - Political Parties

## "NEW POLITICAL STRUCTURE"

Japan is to have a new political structure in which there will be only one political party. This political structure is still an unknown quantity since even the regulations governing the party and the basic principles for its establishment are still under discussion and consideration. However, certain aspects of the structure are already fairly clear, as are the reasons which make some domestic political reforms most urgent.

Japan is now going through an "ordeal" such as she has never before experienced in her history, with domestic conditions approaching those which obtained at the time of the Russo-Japanese war. There is no telling when this ordeal will end, nor is there any assurance that domestic conditions will not continue to deteriorate. At this time when Japan's financial, economic, military and moral strength are at a low ebb, there are "golden opportunities" for expansion at the expense of France and possibly Great Britain and Holland, if the people can be forced into making greater sacrifices and accepting increased hardships. This can only be expected if some semblance of political unity is maintained, and if doubts can be kept from the people's minds. Above all, it is imperative that at such a time as this there be no general election under the old party system. A general election for members of the Diet at such a time - and under the constitution a general election is scheduled for April 1941 - would probably be disastrous. Under a single party system candidates approved by the Premier and, which is more important, by the Army, can be appointed for the various constituencies. The Japanese hope to succeed in Asia as the Germans have succeeded in Europe and they feel that the one-party system must be adopted to accomplish this.

The new political structure appears to have almost universal support, although what it will mean, is not clearly understood except by a few of the originators. It is generally hoped that current domestic conditions will be reformed and improved. In their present mood the Japanese people will support almost any movement which promises to improve their lot.

Prince Konoye, who from the beginning was considered to be the person best fitted to lead the party has issued various statements in regard to the aims, ideals and organization of the new structure. These statements have been carried in full in various press reports which are forwarded to the Department. The tenor of all of these announcements is:

a) The need for a new political structure is urgent.

b) If the nation is to surmount the present difficulties, it must be organized into "one living whole".

c) The lack of such a structure is responsible for the present misunderstandings between the government and the people.

d) Each Japanese subject must serve the nation in everyday life, and the new structure must enable each subject to do his duty.

e) The "people must be organized vertically and bound together horizontally".

f) The movement is "essentially national, all-embracing and public spirited".

g) It must stand above any political party and must embrace all parties and factions.

h) It must not be contrary to the basic principles of Japanese national polity of "one soverign over all".

In order to study various problems which must be solved in setting up the organization, including general regulations and the adjustment of relations with existing governmental organizations, the Premier has appointed a preparatory commission of some thirty members from all factions and political groups. Each member of the commission, which includes such radicals as Admiral Suyetsugu, Colonel Hashimoto, Mr. Shiratori, and Mr. Kuzuu (Manager of the Black Dragon Society) as well as such liberals as Count Arima, Mr. Fumio Goto and Mr. Taketora Ogata was required to sign a pledge to "observe the Imperial will, to discard all selfish considerations and not to allow themselves to be hampered by things of the past or individual views". This pledge given at the initial session of the commission is considered by the Japanese to have great political significance.

The most important point in the new Japanese political structure - that is the relation between the party and the Army - remains to be clarified. It is said that Prince Konoye and his advisors hope to form such a strong national group that the "Army radicals" can be "curbed". Whether this will be accomplished is open to question. In the meantime, the War Minister has stated that the agency to bring about close cooperation between the Army and the new structure is being studied, but that "consideration of the supreme command" makes it extremely difficult for the Army to unite itself inseparably from the new structure. It is probable that Army influence and control under the new domestic order will be strengthened and simplified and that the plans for the formation of a "national defense state" will go ahead even more rapidly under the new structure than under the old system.

N. N. I. 96—1940

SEP 23 1940

ISSUED BY THE INTELLIGENCE DIVISION
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# INTELLIGENCE REPORT

Serial No. 131
(Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. .....
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Office of Naval Attache at Tokyo, Japan Date September 5, 1940
(Ship, fleet, unit, district, office, station, or person)

Reference .....
(Directive, correspondence, previous related report, etc. if applicable)

Source Presa Evaluation Reliable
(As official, personal observation, publications, press, conversation with—identify when practicable, etc.) (As reliable, doubtful, unverified, etc.)

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(Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

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## NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects pertaining to the Navy.

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U. S. GOVERNMENT PRINTING OFFICE 16—18488

Report No. 131
Japan
September 5, 1940

## NOTES ON NAVAL SUBJECTS

1. (103-100) In connection with the sending of an economic mission headed by Commerce and Industry Minister Ichizo Kobayashi to the Dutch East Indies, the Navy Ministry announced that naval members of the mission would be Captain Yoshimasa Nakahara and Lieutenant-Commander Toichi Bakasuji. Two army officers, both of them being aviators, are also in the party.

2. (602-800) About 36,000 square feet of floor space of the Ishikawajima Shipbuilding Company in Tokyo was destroyed by fire on 3 August. Six small factory buildings adjoining the plant were also consumed in the blaze.

3. (903) Captain Tadao Yokoi was appointed by the Navy Ministry on 3 September to be Naval Attaché at Berlin.

4. (903) The Navy Minister Vice Admiral Zengo Yoshida entered the Naval Hospital on 3 September suffering from a heart ailment. The following day he submitted his resignation as Navy Minister to the Premier. Admiral Koshiro Oikawa, Commander-in-Chief of Yokosuka Naval Station, is mentioned as his probable successor.

5. (903-200) Prince Asaakira Kuni attended the graduation exercises at the Naval Academy on 7 August. Seven honor students, of whom Kazuo Yamagishi was the only one named in the press, received Imperial gifts.

6. (903-200) The Yokosuka Naval Station held a five day lecture course from 5 August for 170 students from universities and colleges in Tokyo. In addition to listening to lectures on naval subjects, the students were given actual naval training on combatant vessels.

7. (903) Rear Admiral Yaichiro Shibata, former head of the Liason Office of the China Affairs Board in Tsingtao, returned to Tokyo on 24 August. His new assignment has not yet been announced.

8. (907-700) The Japanese Training Squadron consisting of the cruisers KATORI and KASHIMA embarked midshipmen for the training cruise at Etajima on 7 August. The ships then went to Maizuru where Engineer Midshipmen were embarked on the tenth and to Miyazu where Paymaster Midshipmen were embarked on the eleventh. Newly commissioned officers in the Medical Corps also went on board the vessels on 15 August to participate in the training cruise. According to newspaper reports from Manchuria, the two vessels were in Port Arthur from 25 to 27 August and in Dairen from 27 to 31 August.

9. Vice Admiral Geoffrey Layton, new Commander-in-Chief of the British Fleet in China, passed through Japan on his way to Hongkong on 21 August. The British Naval Attache in Tokyo attempted to arrange an interview for him with the Navy Minister, but due to the latter's lack of enthusiasm, the Attache's plans did not materialize.

10. Vice Admiral Rokuro Kamaya (Ret), veteran of the Sino-Japanese, Russo-Japanese, and World Wars, died in Tokyo on 18 August.

11. Rear Admiral Seii Ohta (Ret) was killed beneath the wheels of a train in Kagoshima on 10 August. Admiral Ohta was the younger brother of the late Admiral Count Gombei Yamamoto.

12. According to a Domei report received in Japan, Commander Junichi Motoki, Naval member of the Japanese inspection party which was sent to French Indo-China to halt the arms traffic to Chungking, was killed in action on 7 July. According to other reports received, Commander Motoki was a passenger in a French plane which was shot down by the Japanese on that day. He was posthumously promoted to the rank of captain.

13. Commander Kiyoshi Maeda, former Naval Attache to the Japanese Legation in The Hague, returned to Tokyo on 18 August. In an interview with press correspondents he stated that in his opinion Britain will be unable to withstand German attacks for more than a few weeks. He ascribed German successes to their remarkable spirit which he likens to that of the Japanese samurai.

14. More than 3,000 young men participated in the 3rd annual Naval Sports Meet in Osaka on 4 August. The meet was sponsored by the Osaka Mainichi with the support of the Osaka Naval Personnel Office. Events included landing operations in the face of an enemy, river crossing before an enemy, life saving from boats, and other water events. The Osaka Sea Scouts staged a naval battle, and mine sweeping operations were demonstrated under the direction of the Naval Personnel Office.

15. The Navy Ministry has announced that there are 100 vacancies for men between 16 and 35 years of age who have completed grammar school or high school courses in the Experimental and Research Sections of the Naval Fuel Experimental Station in Yokohama.

16. The HAKUYO MARU, 1,327 ton training ship of the Fisheries School, returned to Tokyo with its 34 graduating students of the fishery course on 9 August from a three months' training cruise off the shores of Kamchatka.

17. The spirits of 14,400 more soldiers and sailors who have died in the China Affair will be enshrined at Yasukuni Shrine on 15 October.

18. To commemorate the memory of Japanese soldiers and sailors who died in the action at Shanghai in 1937, a large park of several square miles is to be constructed on the Yangtze River between Woosung and Paoshan by the Society for the Protection of Loyal Souls. The park will contain athletic fields and a memorial pagoda and is to cost ¥4,000,000.

19. The Osaka Mainichi Publishing Company on 7 August, donated ¥100,000 to the Navy Ministry for the construction of naval mail planes.

20. Mr. Zenemon Konoike of Osaka, who recently auctioned his family antiques, has presented ¥300,000 of the proceeds to the War Ministry, and ¥200,000 to the Navy Ministry for the National Defence Fund.

21. Three Japanese fishing vessels which were seized by Soviet officials in northern waters last April were returned to their Japanese owners on 25 August. Press reports state that the negotiations for their return were conducted in a very friendly atmosphere.

22. Eight Japanese seamen, who drifted in a small boat in the South Seas for 43 days before they were finally rescued by the American freighter "Dr. Lyker" and taken to Honolulu, returned to Yokohama on 18 August. They reported that they had received kind treatment from the Americans.

23. The captain and crew of the Greek freighter, "Valentine" (4,713 tons), under charter to the Yamashita Steamship Company were taken into custody by the Yokohama gendarmerie on 26 July. The captain is accused of acting in a mysterious manner by cruising in the vicinity of Yokosuka Naval Station for approximately three hours after his departure from Yokohama to Otaru on that day.

24. The Kyokusei Maru (5,493 tons) of the Daido Kaiun returned to Japan from Cebu on 31 July. Her captain made the following remarks to the press:

> "While my ship was in Cebu harbor, 6 American submarines were at anchor in the port, and were keeping close watch over ships coming into the harbor. I have been on the same run for 5 months, but this was the first time I saw American men-of-war taking such strict precautions. I presume that the action on the part of the American warships was due to the rumor of Japan's southward advance.
>
> "On the surface, popular sentiment towards Japan seemed friendly, but secretly, strict watch is being maintained over Japanese residents.
>
> "Contrary to Manila, the Japanese merchants in Cebu are enjoying greater prosperity than Chinese merchants."

25. The captain of a Japanese fishing vessel, the Kinsei Maru, claims that while he was enroute to Takao and in a position about 12 miles off Manila Bay, he was menaced by an American plane which circled his boat several times and finally dropped a white object resembling a bomb. The object, however, did not hit the boat. The captain stated this incident occurred on 15 July and that the number of the plane involved was 54.

26. A small American vessel, "Estelle", was detained by Japanese naval authorities in the vicinity of Hangchow Bay on 31 July for being in the area in defiance of a Japanese blockade announcement. Press reports state that the vessel was released after making a satisfactory explanation.

27. The International News Service report that high naval officials had assured President Roosevelt the U.S.Navy could sweep the Japanese Navy from the seas within three weeks, was given wide publicity in the Japanese press. The possibility that this statement was a determining factor in the President's decision to prohibit the exports of gasoline and scrap iron was also mentioned. Strange to say, the vernacular press had no bellicose comments to make about the report.

28. The third anniversary of the outbreak of hostilities in Shanghai was celebrated on 13 August at a meeting in Osaka, held under the auspices of the Osaka Mainichi with the support of the Naval Personnel Office in Osaka. Among the principal speakers was Vice Admiral Kichijiro Hamada who pointed out that the French defeat was due to their lack of interest in defense

and that the British, who once boasted of controlling the seven seas, have now lost their power and are on the verge of defeat. He then went on to say: "Japan has been called an island country bounded by the seas. I maintain, however, that Japan is an island country bounded by land in all directions. The seas are ours if we but possess the strength to sail them. From the point of national defense, then, we must be strong on the seas, and we cannot be so unless we have naval bases. We now dominate the coast of China, but we should expand further toward the south. We are fortunate in being well placed strategically and so there is no reason why Japan cannot have adequate defense. With world conditions as they are, we should not be satisfied with just the solution of the China Emergency. We should go on, strengthen fully our defenses and solve once and for all, the problems of our time."

29. During a lecture in the Central Public Hall in Osaka on 6 August, Rear Admiral Gumpei Sekine similarly declared: "We cannot wait for the German blitzkrieg on Britain. Even if the United States places an embargo on important goods to us, we will not be troubled, because now those goods can be obtained from Europe. Rather, it will be the United States who will suffer from her own hostile actions, when she will no longer be able to obtain rubber and tin". He went on to say that Japan's clash of interests with Britain was inevitable if Japan were to grow and gain security and that the most important thing for Japan now is quick, unhesitating action in securing her position in the Dutch East Indies and French Indo-China. Denouncing rumors that Japan would lose a war if such came about because of lack of materials, as being the "malicious propaganda of spies", Rear Admiral Sekine made it plain that Japan is in no way suffering from a lack of materials and that as long as she is pro-Axis and Axis-aided, there was nothing to fear of even the combined British and American navies.

30. The announcement made by the German Government on 29 August, to the effect that a German warship had sunk the British tanker, "Commander" in the Indian Ocean, created a slight amount of consternation in Japan. The Asahi in an editorial reminds the people that this sinking, coming so soon after the sinking of a British ship in the Tasmanian Sea, means that the European War has now reached the Greater East Asia Solidarity Sphere. The newspaper continues with the warning British naval units will be sent to the area to track down the raiders and, therefore, the government of Japan must be prepared to take suitable action.

Prepared by

Forwarded by

N. N. I. 90—1940

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

SEP 25 1940

# INTELLIGENCE REPORT

Serial No. 132 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 100-102 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Office of Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo, Japan Date September 5, 1940

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Personal observation, Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Political Forces - Policies (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basic.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## GENERAL POLICIES

Japan, under an Army-dominated Cabinet, is making significant changes in her domestic and foreign policies, the extent of these changes is not clear, but the Prime Minister has indicated the basic outlines of these policies.

The Government proposes to:

a) Develop Japan into a "national defense state" based on totalitarian principles;
b) Create an economic bloc of Japan, Manchukuo and China;
c) Establish a new political structure with a single national party;
d) Settle the China Incident in accordance with Prince Konoye's statement of December 1937;
e) Make changes as necessary in Japan's foreign policy in order that Japan will not miss the present "golden opportunity" to create a Far Eastern hegemony.

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Report No. 132
Japan
September 5, 1940

100 - Political Forces
102 - Policies

## GENERAL POLICIES

On 2 August, the Premier, Prince Konoye, made public the basic outlines of the Government's domestic and foreign policies. The statement as issued is as follows:

"... The world is now facing an historical turning point and new systems of politics, economy and culture based on the birth and development of several states are being created. Japan, on the other hand, is also going through an ordeal such as she has never experienced before in her history. In order to execute perfectly her national policies based on the supreme spirit of the foundation of the Empire at this important juncture, it is of the most urgent importance to reform her general administration immediately by making a correct forecast of future world developments and to devote all her efforts to the accomplishment of her national defence system. We have accordingly decided upon the following fundamental policies:-

"1. Japan's fundamental policy is to establish perpetual world peace in accordance with the great spirit of the foundation of the Empire. In the first place, Japan will make efforts towards establishing a new order in East Asia based on a firm coalition of Japan, China and Manchoukuo. In order to attain this object, Japan will first establish such firm state systems as will suit the new situation and will devote her full national power to the realization of the said national policy.

"2. National Defence & Diplomacy: In view of the new situation at home and abroad, Japan will replenish her armaments in such a manner that the security of this country can be fully defended and national policies can be satisfactorily executed. Japan's diplomacy must base itself on the establishment of a new order in East Asia, and the utmost importance should be attached to the complete settlement of the China Affair. Japan must make a correct judgment of the drastic changes in the international situation and her diplomacy must be constructive as well as elastic so that it can meet any changes in the international situation.

"3. Reform of the domestic systems: It is of urgent importance to reform all Government administrations in accordance with the nature of the national constitution in order to establish firmly the foundations of national defence. To attain this object, the following points must be realized:

" A) Renovation of educational systems must be effected in accordance with the national constitution and egoism must be excluded and national morals should be so established that service to the country be made the first objective.

" B) To establish a new powerful political system so that state administration will be brought to complete unity: a) to establish a new national system under which officials and private people will work in co-operation and unity in serving the country, b) to establish a firm

system of assisting the Diet in such a manner as will suit the new political systems, c) to effect a fundamental renovation of administrations and to establish new systems in Government circles aiming at unity and expedition in administrative functions.

" C) To establish firm foundations of national defence economy on the basis of the economic self-sufficiency of Japan, China and Manchoukuo en bloc, making Japan the centre of the economy of the three powers:- a) to establish a joint economic bloc including Great East Asia, making Japan, China and Manchoukuo the centre of the bloc, b) to execute planned economy by the co-operation of Government and people; especially the control system for production, distribution and consumption of staple commodities must be adjusted under single unit control, c) to draw up a firm financial programme for developing the national economic power, also to strengthen the control of finance, d) to reform the trade policy to meet the new world situation, e) to establish self-sufficiency for daily necessities of the people, especially for important foodstuffs, f) development of important industries, especially heavy, chemical and machinery industries, g) Development of science and rationalization of production, h) to adjust and expand communications and transport equipment to meet the new situation at home and abroad, & i) to draw up a firm plan for developing resources in Japan aiming at increase of national power.

" D) Permanent measures will be adopted to improve the quality and physique of the nation and to increase the population. Fundamental measures will also be established in order to stabilize and develop agriculture and the livelihood of the farming population.

" E) Inequality in the sacrifices made by people in the execution of national policy will be rectified, and while enforcing various measures for the promotion of public welfare vigorously, the national life will be reformed and such standards of life will be fixed as are fit for a steady and sturdy nation capable of overcoming the national crisis with sustaining energy and perseverance."

* * * * *

As usual with public statements by Japanese officials, the above indicates in only very general and vague terms what the present government proposes to try to accomplish. Stated in more simple terms, the government now proposes to put into effect the long range plan of the Army to:

a) develop Japan into a "national defense state" based on totalitarian principles;
b) create an economic bloc of Japan, Manchukuo and China;
c) establish a new political structure with a single national party;
d) settle the China Incident in accordance with Prince Konoye's statement of December 1937;
e) make changes as necessary in Japan's foreign policy in order that Japan will not miss the present "golden opportunity" to create a Far Eastern hegemony.

In connection with the above detailed plans for 1. national and regional defense, 2. distribution of population, 3. political relations, 4. economic progress and 5. cultural advancement

are being formulated by the Cabinet and the Cabinet Planning Board. These detailed plans will be reported when additional information becomes available. It is clear, however, that at last a supreme effort will be made to unify the country in order to try the Army's plan for a "new structure". If carried out successfully, this plan will mean far-reaching economic and social changes - changes as significant as those which took place at the time of the Meiji restoration.

O. N. I. 88—1940

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
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# INTELLIGENCE REPORT

Serial No. 136 (Start new series each year, i. e. 1-40, 2-40)

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From Office of Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo, Japan Date September 5, 1940

Reference (Directive, correspondence, previous related report, etc. if applicable) NAVA

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Digest.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

ANTI-FOREIGN TENDENCIES - - COUNTER-ESPIONAGE MOVEMENT

Under the present government, anti-foreign tendencies can be expected to increase. Foreign institutions and teachers will be forced to leave Japan, or will be placed under complete Japanese control. In the new national defense state which the government plans, there is no place for foreign influence.

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Report No. 136
Japan
September 5, 1940

102 - Policy
102-200 Domestic Policy

# ANTI-FOREIGN TENDENCIES - COUNTER-ESPIONAGE MOVEMENT

## GENERAL

In the "national defense state" and the "new political structure", for which the present Japanese Government is now perfecting plans, there is little room for foreign influences. As in all states established on totalitarian lines, ideas which are not originated by government agencies are considered to be unwelcome. The Japanese Army and the more nationalistic of Japanese political and patriotic groups have long advocated the expulsion of these foreign (or liberal) influences and methods and the surpression of foreign (or "radical") ideas. According to these factions, Japanese civilization and culture is superior to all others, and any attempt to introduce foreign culture or learning is an attempt to pollute Japan. Under the leadership of the present nationalistic Cabinet, and guided by the Army, it can be expected that anti-foreign tendencies and anti-foreign propaganda will increase. The elimination of foreign institutions, teachers, etc. will be gradually but thoroughly carried out. A few of the manifestations of this tendency are outlined below.

## I. COUNTER-ESPIONAGE MOVEMENT

One of the most effective ways of discrediting foreigners in Japan is to instill in the minds of the Japanese people (who are in general incapable of thinking for themselves), the suspicion that all foreigners in the country are spies or potential spies. In a country like Japan, this can be done very easily. Government announcements in connection with espionage in Japan are typical examples of how this is being handled officially. On 31 July, the War Office issued the following statement:

> "Espionage, propaganda and intrigue by hostile Powers in this country have lately been going on in a legitimate manner through the networks formed by various organizations, trade, economic, religious and communication. Spies are sometimes specially dispatched to this country, but in view of the fact that the system for the prevention of espionage is so developed that illegal spying out of secrets is rendered practically impossible, it is usual that through organized activities as copious materials as possible are collected in a legitimate manner so that the information drawn from them may approximate to the truth as near as possible. Such being the case, it is up to every Japanese to be particularly careful in regard to the preservation of State and military secrets and not to be taken unawares by such legitimate actions.
>
> "Propaganda by these Powers has been very subtle of late. As it is being carried on legitimately and by means which bear no seeming aspect of propaganda, the Japanese people must be on their guard. Instead of giving ready credence to what they are told by these distinguished propagandists, they must pay the closest attention to the international situation which is changing momenterily. Intrigue by hostile Powers in the Japanese world of thought especially have been going on assiduously for scores of years among all classes of society. For instance, the Far Eastern policy of Britain always seeks in its initial stage

to spread pro-British ideas in the country concerned, while endeavouring to create pro-British elements. The pro-British ideas thus implanted serve as a hotbed for British espionage and intrigue in Japan.

"What the authorities regard as most regrettable is the fact that some Japanese act as agents of these hostile Powers with their eyes open to the wickedness of their conduct. The Army will deal with such Japanese very sternly. There are other Japanese who come into contact with foreigners with the good intent of contributing to the improvement of diplomatic relations, but regretfully enough they are often turned to account by the other party, instead of attaining their object. These people must carefully weigh their own ability and refrain conscientiously from such a course of conduct. In short, it is most important for all, the Army, the Government and the people generally, to hold aloft the slogan 'Thought National Defence' and make the utmost efforts to extirpate all kinds of espionage, propaganda and intrigue by foreigners so that national interests may not be impaired."

* * * * * *

Shortly afterward the following article entitled, "How to Defend Japan Against Spies" appeared in "Shuho", a weekly publication of the Cabinet Information Bureau:

"Foreigners who reside in Japan are of varied social status and include ambassadors and ministers, Army and Navy attaches, employees of foreign banks and other business concerns, newspaper correspondents, students, missionaries, tourists, etc. Of course, we cannot call all of these persons spies, but we should not forget that many of them are publicly or stealthily conducting espionage activities.

"In addition to these persons, there are spies who are sent here disguised as businessmen, tourists, etc. In Japan where the activities of spies are hindered for racial reasons they employ Japanese as their agents.

"According to popular notion, spies are supposed to work in secrecy. In reality, since anti-espionage measures have been well organized in most countries, and also because information sought after is not always confined to military secrets, espionage activities are more often than not conducted publicly and by legitimate means. As it is possible now to determine a country's fighting strength from its economic strength, information which may appear to be of little value to the average person is sought after by spies. By collecting many periodicals and by scientifically arranging their articles, internal conditions of a country may be determined. A certain embassy in Tokyo has bought, since the outbreak of the present incident, ¥25,000 worth of periodicals. Indiscrete publication of articles amounts to furnishing spies with materials. When the resources of a country are known, their supply may be cut off, especially in the case of a country like Japan. Also, information as to communication routes, rolling stock, automobiles, merchant ships, and conditions of land and sea communication facilities constitute valuable material to judge the capacity of wartime transportation or the speed of mobilization of a country. Information regarding aeronautical, automobile, chemical, and dye industries, etc. furnish materials from



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which to determine wartime strength of aviation services, mechanized units, and chemical warfare units. Air photographs of power plants, telegraph offices, important factories, reservoirs, and cities in general are valuable materials for air raids.

"Spies get such information from answers to their inquiries sent to Governmental offices, schools, factories, companies and shops. Since these applications assume the forms of scientific inquiries or business letters, they appear innocent.

"During an oral examination for the appointment of new employees, a business concern established with foreign capital asked candidates the total number of automobiles, principal highways, harbor facilities, etc. in Japan. A foreign concern collected through branch establishments all through Japan, pictures of important buildings. A certain group of university students were offered automobiles by an automobile company with foreign capital. The students took an auto trip through the country, and reported to the company, road conditions, weather, state of industries, etc. Being ignorant of the fact that they were used as agents of spies, the students thus revealed general mobilization secrets.

"Political and diplomatic secrets are quickly revealed to foreign countries. Foreign correspondents in Tokyo send despatches of the fall of a cabinet two or three days before its actual happening, when Japanese are totally unaware of the coming event.

"The above may be termed intelligence agents, but there are others who may be termed plotters. These spies are active in peace-time as well as in wartime. Their purpose is to alienate the Army and the Navy from the people by advocating pacifism; they instigate strikes and sabotage among the working classes. Communistic propaganda constitutes an excellent example of plotting to influence the peoples thoughts. As has been the case in Japan since the beginning of the Incident, the most simple example of their activities is to spread wild rumburs.

"Foreign intelligence services collect intelligence information on military secrets, politics, economics, industry, etc. through economic organizations, religious bodies, scientific associations, news agencies, etc., which in peacetime establish close contacts with our people. These organizations are employed not for obtaining intelligence alone, but also for planning subversive activities.

"We can defend ourselves from the spies who are after intelligence information simply by not revealing secrets to others. Employees of Government offices and munition factories particularly should not reveal secrets which come to their knowledge even to their families. One should not take it for granted that only foreigners are spies. Military secrets should not be written down. It is customary for spies to collect waste paper from homes of Government officials, Army and Navy officers, munition factory owners, etc.

"Precaution should be taken in answering business inquiries. By this means, it is possible to learn the manufacturing capacity of types of industry all over the

land, or the total stock of kind of commodity. A series of seemingly ordinary questions may hide one important inquiry. An association should refrain from printing in its proceedings letters received from the front. There have been instances where secret agents gathered important intelligence from such letters.

"Open-mindedness is a characteristic of the Japanese. From the standpoint of defending ourselves from activities of secret agents, this is a serious defect. Also, there is a tendency to admire foreigners and to talk too much. An example of taking advantage of these characteristics is found in the British system of propaganda which consists of the distribution of pamphlets in English since many Japanese are pleased to receive them. The first stage of the British Far Eastern policy consists in obtaining a pro-British faction in Japan, and through it to propagate pro-British sentiments.

"We should expel at this time individuals and groups who harbor thoughts antagonistic towards Japan. We should also do away with economic groups of foreign origin which are already unnecessary in Japan. The same thing is true of religious and educational bodies.

"In short, spies are no longer separate individuals, but are included in net-works. To cope with this, we should organize our country. The new national system is necessary for fighting activities by foreign agents."

* * * * *

Finally, the Metropolitan Police had the following to say in regard to foreign espionage:

"As long as Japan's importance as the leader of Asia increases, it is quite natural that all phases of her developments are keenly watched by other countries. All our nation should bear in mind that warning against espionage is the first national defense.

"It is regretted, however, that the average Japanese do not realize the importance of shutting out the spies of foreign countries. This, I am afraid, is one of the national characteristics, presumably coming from the fact that our territory is scantily bordering other countries. On the other hand, there is a too honest attitude displayed by the average Japanese. They cannot keep secrets successfully. Another cause is the deplorable tendency seen among some strata of the nation, that they are frivolous and will take a fancy to anything new or foreign. These must be carefully guarded against.

"There are various ways for espionage activity. Some spies approach their victims through various means of social organs such as social clubs, sports meets and at homes. Those who make use of their love affairs with Japanese girls may be found among this type of spy. Some others, more openly illegal, resort to the buying of information or even to theft. The latter are not considered here as these cases are glaringly plain. What I want to warn the average people against are the spies who creep into many social functions or who try to listen to all trifle daily conversations of Japanese.

"We should not discuss anything concerned with the national defense, however trifle it may seem. Often men and women are found talking proudly of scanty information they get from some sources about the types of the new warships, airplanes, etc. on street cars, in barber-shops, tea houses, and public baths.

"Absorbed in putting out information, they are usually completely unaware of what grave consequences these proud talks can have on the fate of their own country. This I wish the people would stop right away.

"Another thing I want to stress is the apparent tendency among our fellow countrymen that they usually think all Western people in Japan do not understand Japanese. This is wrong. We would be better off to think that all foreign residents in Japan can understand Japanese perfectly well.

"Lastly, I want to refer to the general inclination of Japanese women. They are usually very talkative. As long as their talkativeness remains on internal affairs, it will be allowed. When it comes to international affairs, this habit must be completely prohibited. They should appreciate the truth of the maxim 'Warning against espionage is the first national defense'."

* * * * * * *

II. ANTI-BRITISH DEMONSTRATIONS

One of the recent events which brought on the above official outbursts was the arrests of a number of British subjects by the military police for espionage activities. Actually this was a political move to damage British prestige in Japan and to further the designs of the pro-German nationalists. The prompt retaliatory arrests made by the British plus the anti-Japanese boycotts which stated anew in Canada, India and Australia made the Japanese reflect, and the arrests stopped. Not, however, until considerable anti-British and anti-foreign feeling had been aroused in Japan. During the middle part of August, anti-British mass meetings were held in most of the large cities in the country, with thousands taking part in the Tokyo, Kobe, Osaka, Nagoya, Kochi, Takamatsu and Kagoshima meetings. Typical resolutions were passed to "lose no time in striking Britain, our inveterate and crafty enemy. Our first line lies in the Thames. Chungking falls when London falls. Strengthen our ties with Germany and Italy at once to eradicate the source of aid for Chiang Kai-Shek".

The Kobe Chamber of Commerce added its bit by telegraphing the following resolution to the Cabinet, the British Ambassador and others:

"The Kobe Chamber of Commerce & Industry is gravely concerned by the arrest of Japanese effected by Britain especially because of the international nature of Kobe City and expresses its views herewith.

"We industrialists have at all times endeavoured to promote trade between Japan and Britain and we believe it is our duty to demand Britain's reflection on the unlawful retaliatory measures she has taken. Japan is a constitutional state and it is quite lawful for her to arrest any British whose actions are found deterimental to Japan in reference

to the provisions of our domestic laws; we cannot understand why protests should be made with regard to such lawful action on the part of Japan. Britain nevertheless is reported to have arrested Japanese as a retaliatory measure without giving any reasons for such arrests.

"Especially in view of the fact that Britons always talk about humanity and morality, the action taken by Britain cannot be disregarded. Is it Britain's intention to interfere with the domestic administration of Japan, or does she intend to challenge Japanese industrialists ? We can no longer keep silent regarding the unlawful measures taken by Britain, and earnestly hope that the Government will take very strong action at this juncture."

* * * * *

This anti-British agitation has had and will continue to have an adverse influence on American prestige in Japan, for in the past few months, the Japanese public has been informed that the United States is now "Britain's watch dog" in the Far East. The Japanese will probably not demonstrate against Americans here because they know that for every American in Japan, there are a score of Japanese in the United States and Hawaii and they realize how important it is not to antagonize two strong powers at the same time,- but nevertheless, Americans are foreigners, and the anti-British agitation is essentially anti-foreign.

III. FOREIGN SCHOOLS AND CHURCHES

Another significant anti-foreign movement is designed to close or take over most of the hospitals, schools and churches under foreign management or supervision. Although this movement also started as an anti-British move, it has now spread to include American organizations. In some instances, teachers and missionaries have been informed that they must leave the country within a month or two. In other instances, the foreign heads of institutions have been allowed to remain temporarily at least in subordinate positions. The fate of these foreign institutions has not been decided definitely, but the attitude of the Army leaves little hope that they will be allowed to continue as in the past. Army views on foreign religious groups are outlined in the following War Office announcement:

"... Religion, it goes without saying, is essential to national life. The army, which has grave concern about defense of the country in the field of thought, is impelled to take action against those who, under the cloak of religion, compromise the intellectual life of the people by working as agents of foreign intelligence services, by taking positions in the forefront of foreign drives against Japanese thought, or by allowing themselves to become a hotbed of foreign intrigue against Japanese thought, apart from the question of the religion in which they happen to believe."

* * * * * * *

In regard to foreign schools, the prevailing opinion in Japan is that "the educational system must be renovated. This renovation must be based on national conscience and the necessity of excluding senseless admiration of European and American



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countries. Mere imitation of Western systems must cease. Under the present highly civilized state of affairs in Japan, and in view of Japan's status as a leading world power, there can be no reason why schools under foreign management should be allowed to exist."

Naval Attache

N. N. I. 96—1941

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# INTELLIGENCE REPORT

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From Office of Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo, Japan Date September 6, 1940

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Subject Japan (Nation reported on) Policy - Foreign Policy (Main title as per index guide) (Subtitles) (Make separate report for each title)

BASIC.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## JAPANESE FOREIGN POLICY

Japanese foreign policy cannot be determined from official announcements which are vague and indefinite. As yet Japan has made no definite commitments, but the trend is pro-Axis, anti-British and anti-American. When the probable outcome of the European war becomes clearer, Japan may act to carry out an aggressive Southward Advance policy. Until that time, diplomatic pressure will be used to gain objectives in the Netherlands Indies and French Indo-China.

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U. S. GOVERNMENT PRINTING OFFICE 16—15402

Report No. 137
Japan
September 6, 1940

102 - Policy
102 - 100 Foreign Policy

## JAPANESE FOREIGN POLICY

The Prime Minister, Prince Konoye, has given the following as Japan's basic policy:

> "The basic aim of Japan's national policy lies in the firm establishment of world peace in accordance with the lofty spirit of Hakko Ichiu in which the country was founded and in the construction as the first step of a new order in Greater East Asia, having for its foundation the solidarity of Japan, Manchukuo and China. Japan, therefore, will devote the total strength of the nation to the fulfilment of the above policy by setting up swiftly an unshakable national structure of her own adapted to meet the requirements of new developments both at home and abroad.
>
> "..... Japan's foreign policy which aims ultimately at the construction of a new order in Greater Asia will be directed, first of all, toward a complete settlement of the China affair and the advancement of the national fortune by taking a far-sighted view of the drastic changes in the international situation and formulating both constructive and flexible measures."

* * * * * *

At the same time that the above statement was issued by the Premier, the Foreign Minister, Mr. Yosuke Matsuoka, issued the following statement:

> "I have always said that the mission of Japan is to proclaim and demonstrate the 'kodo'* throughout the world. Viewed from the standpoint of international relations, this amounts, I think, to enabling all nations and races to find each its proper place in the world. Accordingly the immediate aim of our foreign policy at present is to establish, in accordance with the lofty spirit of the 'kodo', a great East Asian chain of common prosperity with the Japan-Manchoukuo-China group as one of the links. We shall thus be able to demonstrate the 'kodo' in the most effective manner, and pave the way toward the establishment of an equitable world peace. We should be resolved to surmount all obstacles, both material and spiritual, lying in our path. Furthermore, in concert with those friendly Powers which are prepared to cooperate with us, we should strive with courage and determination for the fulfilment of the ideal and the heaven-ordained mission of our country."

(*Imperial Way)

* * * * * *

There is, of course, nothing in the above statements which reveals what Japan's real foreign policy is to be - except that the China affair is to be pushed to a "complete settlement". It is probable that the statements were issued for the express purpose of keeping the Japanese public and the world at large from knowing what Japan intends to do. It is even more probable that at the time they were issued, the Government itself did not yet know definitely what its policy would be. The Foreign Minister has informed the press that he is not in a position to

make detailed statements regarding foreign policy, but that at the right time such statements would be forthcoming. He added that Japan would act energetically and positively in her dealings with other powers in order to "make friends" as much as possible under the prevailing circumstances. The policy of trying to maintain friendly relations with all powers will, however, be abandoned - especially with those countries which have in the past failed to accept Japan's advances.

There are, however, numerous indications that the Government which was formed to take advantage of the "golden opportunities" to create a Greater East Asia bloc, is making excellent progress toward completing the necessary military preparations. When and if the right moment comes, Japan can and will strike swiftly against French Indo-China and the Netherlands East Indies. That moment has not arrived because

(a) the British have not yet been defeated;
(b) Soviet Russia while deeply involved in Europe, is still a dangerous potential enemy with whom a complete understanding has not been reached;
(c) the attitude and probable action of the United States is still an unknown quantity.

Therefore, until the outcome of the European war is more clearly seen, Japan will probably adopt a wait-and-see policy, will not burn all of her bridges behind her, and will try by diplomatic means to gain some of her objectives in the South.

The trend will be more and more pro-Axis and pro-Russian and at the same time anti-British and anti-American. However, the cardinal principle of Japanese diplomacy which is to reduce her potential enemies to one will not be violated.

N. N. I. 86—1940

C-40-i 11344-D

**ISSUED BY THE INTELLIGENCE DIVISION**
**OFFICE OF CHIEF OF NAVAL OPERATIONS**
**NAVY DEPARTMENT**

# INTELLIGENCE REPORT

Serial No. 139
(Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 103-100
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Office of Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo, Japan Date September 9, 1940

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Official Press Release (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) International Relations (Main title as per index guide) - Treaties (Subtitles) (Make separate report for each title)

Basis.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

JAPAN - THAILAND TREATY

The treaty of amity signed on 12 June is, according to the Japanese, "more close and friendly" than ordinary treaties of amity. It is also the "first step toward rejecting the intervention of western countries in the orient".

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Distribution By Originator: DNI(7); CinCAF(1); Com 16(1); High Comm'r. of P.I.(1); Embassy (1); NA/Peiping(1); ANA/Shanghai(1); N/A Tokyo(1); File (1).

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U. S. GOVERNMENT PRINTING OFFICE 16—18466

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Report No. 139
Japan
September 9, 1940

103 - International Relations
103 - 100 Treaties

## JAPAN - THAILAND TREATY OF AMITY

A treaty of amity between Japan and Thai was signed on 12 June in Tokyo. In connection with this treaty, the Japanese Foreign Office issued the following announcement:

". . . The treaty between Japan and Thailand concerning the continuance of friendly relations and the mutual respect of each other's territorial integrity was signed between the Foreign Minister, Mr. Hachiro Arita, and the Thai-Minister to Japan, Phya Sri Sena at 10 o'clock this morning, June 12, at the official residence of the Foreign Minister.

" The treaty has been concluded for the purpose of reaffirming and solidifying further the traditional relations of amity between the two countries and to contribute thereby toward the stability and peace of East Asia. Its main points are:

" 1.) Mutual respect of the territories of the high contracting parties and confirmation of the peace and friendly relations between them.

" 2.) Exchange of information and consultation with regard to matters of interest common to the two countries.

" 3.) A pledge, in a case of one of the high contracting parties being attacked by a third country, of non-assistance to that third country.

" The treaty will be effective from the exchange of ratifications and will be valid for five years."

* * * * *

In explaining the circumstances which lead up to the treaty, the Foreign Office spokesman added:

"It is a matter for profound congratulation that a treaty of amity and friendship has now been concluded between Japan and Thailand two nations which, as is well known, have maintained very cordial relations as Oriental nations in East Asia.

"The friendship of Thailand for Japan that was so unmistakably demonstrated at the time of the Manchurian Incident has been to our people a source of deep appreciation. The Government and people of Japan on their part have always manifested wholehearted sympathy toward the growth of the spirit and movement of nationalism in Thailand. For instance, Japan co-operated fully with Thailand in its efforts to free itself from a status of inequality in international relations, and concluded with Thailand in 1937 a treaty of commerce and navigation on a completely equal footing. The cordiality of relations between the two countries has since increased in warmth, and today a treaty of amity and friendship was signed to reaffirm and strengthen further, their traditional friendly relations.

"The proposal for the conclusion of such a treaty was originally made by the Thai Government, with which negotiations have been conducted through our Minister at Bangkok, Mr. Kuramatsu Murai, resulting in the present instrument.

"At first, a desire was expressed for the conclusion of a non-aggression treaty. But, in view of the mentioned amicable relations subsisting between Japan and Thailand, as well as of the fact that a non-aggression treaty is not necessarily suitable to Japanese-Thailand relations in the light of the recent examples, the Japanese Government, placing more importance on mutual co-operation, has concluded a treaty embodying the points as announced. The present treaty provides for mutual respect of the territorial integrity, reaffirmation of the peace and friendly relations between the two countries, exchange of information and consultation with regard to matters of interest common to them, and pledge of non-assistance to each other's enemies. By this treaty we believe Japan and Thailand will be able to maintain their friendly relationship on a firm basis, regardless of any change in the world situation that may take place in the future, and to contribute toward the stability and prosperity of not only East Asia but the entire world.

"Great Britain and France, it is said, have been conducting negotiations with Thailand for the conclusion of a non-aggression pact. Japan has, however, always carried on negotiations quite apart from them for the present treaty from an independent standpoint."

* * * * * *

In connection with the treaty, it is interesting to note that Domei states that it is "the first step toward rejecting the intervention of western countries in the orient and will go a long way toward preventing the extension of the European conflict to the Far East". The possibility of increasing trade between Japan and Thailand are not being overlooked - nor is the possibility that Thai will become an important source of rice, tin, rubber, iron ore, etc. lost sight of.

It should also be noted that the Japanese press went to considerable lengths to point out that non-aggression pacts between Thailand, Great Britain and France which were signed about the same time were "forced" on Thailand, and were the result of British and French pressure. Japan is convinced that her treaty is "more close and friendly" than the other treaties.

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ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

OCT 8 1940

# INTELLIGENCE REPORT

Serial No. 167
(Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 1 103-100
(To correspond with SUBJECT group being used in O. N. I. Index Guide. Make separate report for each title.)

From Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo Date October 7, 1940

Reference (Directive, correspondence, previous related report, etc. if any) NAVAL attache's report

Source Official, personal observation (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) International Relations - Important Alliance (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basic.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## JAPANESE-GERMAN-ITALIAN AGREEMENT

Japan, Germany and Italy have signed an agreement to cooperate in establishing "New Orders" in Europe and Greater East Asia. The agreement is designed to induce the United States to discontinue aid to Great Britain and to China.

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Distribution By Originator: ONI(7); CinCAF(1); Com 16(1); High Comm'r of P.I.(1); Embassy (1); NA/Peiping(1); ANA/Shanghai(1); M/A Tokyo(1); File (1).

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U. S. GOVERNMENT PRINTING OFFICE 16—17402

Report No. 167
Japan
October 7, 1940

103-International Relations
100-Important Alliances

## JAPANESE-GERMAN-ITALIAN AGREEMENT

On 27 September 1940, an agreement was reached by Japan, Germany and Italy providing for cooperation among these three powers in establishing a "new world order". The "summary" of this tripartite treaty released by the Japanese Foreign Office is as follows:

"The Governments of Nippon, Germany and Italy, considering it as the condition precedent of any lasting peace that all nations of the world be given each its own proper place, have decided to stand by and co-operate with one another in regard to their efforts in Greater East Asia and the regions of Europe respectively wherein it is their prime purpose to establish and maintain a new order of things calculated to promote mutual prosperity and welfare of the peoples concerned.

"Furthermore it is the desire of the three Governments to extend co-operation to such nations in other spheres of the world as may be inclined to put forth endeavours along lines similar to their own, in order that their ultimate aspirations for world peace may thus be realized. Accordingly the Governments of Nippon, Germany, and Italy have agreed as follows:

"Article 1: Nippon recognizes and respects the leadership of Germany and Italy in the establishment of a New Order in Europe.

"Article 2: Germany and Italy recognize and respect the leadership of Nippon in the establishment of a New Order in Greater East Asia.

"Article 3: Nippon, Germany and Italy agree to co-operate in their efforts on the aforesaid lines. They further undertake to assist one another with all political, economic and military means when one of the three Contracting Parties is attacked by a power at present not involved in the European War or in the Sino-Nipponese Conflict.

"Article 4: With a view to implementing the present Pact, Joint Technical Commissions the members of which are to be appointed by the respective Governments of Nippon, Germany and Italy will meet without delay.

"Article 5: Nippon, Germany and Italy affirm that the aforesaid terms do not in any way affect the political status which exists at present as between each of the three Contracting Parties and Soviet Russia.

"Article 6: The present Pact shall come into effect immediately upon signature and shall remain in force for 10 years from the date of its coming into force. At a proper time before the expiration of the said term the High Contracting Parties shall, at the request of any one of them, enter into negotiations for its renewal."

********

At the same time, an Imperial Rescript was granted, reading as follows:

"To enhance justice on earth and make of the world one household is the great injunction, bequeathed by Our Imperial Ancestors and which We lay to heart day and night. In the stupendous crisis now confronting the world, it appears that endless will be the aggravation of war and confusion and incalculable the disasters to be inflicted upon mankind.

"We fervently hope that the cessation of the disturbances and the restoration of peace will be realized as swiftly as possible.

"Accordingly, We commanded Our Government to deliberate on the matter of mutual assistance and cooperation with the Governments of Germany and Italy which share in the views and aspirations of Our Empire. We are deeply gratified that a pact has been concluded between these three Powers.

"The task of enabling each nation to find its proper place and all individuals to live in peace and security is indeed one of great magnitude, unparalleled in history. The goal lies still far distant.

"Ye, Our Subjects, clarify even more the concept of national polity; think deeply and look far; unite in heart and strength, and surmount the present emergency, to assist thereby in the promotion of the Imperial fortune coeval with heaven and earth.

"September 27th, the fifteenth year of Showa. (1940)."

**********

It will be noted that only a summary of the agreement has been made public which leads to the conclusion that the full text of the pact has not been announced. The nature of the secret or at least unpublished sections of the treaty are not known, but there are probably clauses defining the areas in which the signatory powers are given a free hand, and there should be some clearer explanation or definition as to what the three Axis powers mean when they refer to a new world order. There may even be a clause releasing the signatory powers from their treaty obligations under certain conditions.

The Joint Technical Commissions to be set up in accordance with Article 4 are expected to be established in both Tokyo and Berlin in the near future. It is understood that the Commissions will first deal with military and economic matters and that for the time being political problems among the contracting powers will be handled through ordinary diplomatic channels.

The formal alliance with Germany and Italy has not been enthusiastically received in Japan, but the Government and the Army are now conducting publicity campaigns to popularize the pact. Results will no doubt be all that the government desires. The Army Minister has indicated the official views of his department in instructions to the Army which have been summarized in the press as follows:

"The path to be followed for creation of a new order in the Greater Far East has been clearly shown by the establishment of the new structure in the country and the conclusion of the tripartite treaty.

"We are extremely awed by the gracious Imperial Rescript which has been granted to vindicate our mission at this juncture.

"In accordance with the Imperial Will and the principle of Hakko-Ichiu (the world as one household), the people must endeavor to promote the country's prestige, without underestimating small enemies and being undaunted by great enemies.

"The path to be followed has been indicated. Any obstacle lying in that path, we should deal with squarely and candidly. We should never resort to petty plots or be divided in our opinions and views.

"Having renovated the country's structure, the Empire is now going to be one of the pillars of a new order in the world. To achieve this glorious end, we must be prepared for thousands of obstacles and trials that will arise in our path.

"You officers of the Army must especially be conscious of this and endeavor to fulfill your respective duties. Today, cooperation among the whole nation is more urgently needed than ever before.

"Cooperation and mutual understanding between the Army and Navy is the foundation of national defense. On the occasion of the conclusion of the tripartite treaty, I hope earnestly that this cooperation be further enhanced to pass through the present grave emergency period."

**********

Similar instructions were issued by the Navy Minister who required all officers in the Department to take an oath to act in faithful observance of the Imperial injunctions.

It is clear even to the Japanese people that the tripartite pact is directed against the United States in order to try to induce America to discontinue aiding Great Britain and China. Already there are signs that the pact has failed to accomplish this purpose. Whether it will aid the axis powers to bring the European and China hostilities to speedy conclusions remains to be seen.

O. N. I. 96—1940

ISSUED BY THE INTELLIGENCE DIVISION
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# INTELLIGENCE REPORT

Serial No. 200 (Start new series each year, i. e. 1-40, 2-40)

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Subject Japan (Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basis.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects pertaining to the navy.

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U. S. GOVERNMENT PRINTING OFFICE 16—12466

Report No. 200
Japan
12 December 1940

## NOTES ON NAVAL SUBJECTS

1. (505) According to a report issued by the Communications Ministry the following steamships were registered in Japan at the end of September, 1940:

| | Number | Gross Tonnage | Net Tonnage |
|---|---|---|---|
| 20 tons to 100 tons | 1945 | 89,683 | 42,210 |
| 100 " " 300 " | 587 | 108,337 | 55,363 |
| 300 " " 500 " | 224 | 87,216 | 46,463 |
| 500 " " 1000 " | 246 | 181,469 | 105,757 |
| 1000" " 2000 " | 265 | 397,599 | 234,014 |
| 2000" " 3000 " | 196 | 486,976 | 292,001 |
| 3000" " 4000 " | 170 | 575,150 | 343,102 |
| 4000" " 5000 " | 132 | 591,196 | 373,444 |
| 5000" " 6000 " | 160 | 888,666 | 592,294 |
| 6000" " 7000 " | 107 | 704,935 | 451,258 |
| 7000" " 8000 " | 67 | 489,089 | 302,099 |
| 8000" " 9000 " | 38 | 322,287 | 202,485 |
| 9000" " 10000 " | 28 | 266,944 | 161,255 |
| 10000" " and over | 39 | 490,287 | 304,397 |
| Totals..... | 4204 | 5,679,834 | 3,506,322 |
| Totals, 1000 tons and over | 1202 | 5,213,129 | 3,256,349 |

2. (600-602-800) The town in Okayama Prefecture formerly called Tama has been enlarged and renamed "Tamano". The large Mitsui Shipyard located there has been renamed the Tamano Shipyard.

3. (900-903) The following changes in duty among high ranking officers have occurred recently:

Admiral Kiyoshi Hasegawa, member of the Supreme War Council, was appointed Governor General of Taiwan on 27 November succeeding Admiral Seizo Kobayashi.

Rear Admiral Yoshimasa Nakahara was appointed Director of the Personnel Bureau in the Navy Ministry on 28 November relieving Rear Admiral Seiichi Ito who was transferred to a post which was not made public.

Rear Admiral Kiichi Endo was appointed Chief of Staff of the Yokosuka Naval Station on 2 December relieving Rear Admiral Shin Oka who was assigned to the Total War Institute.

Vice Admiral Boshiro Hosokaya was appointed Commander of the Japanese fleet in Central China waters on 7 December, succeeding Vice Admiral Umataro Tanimoto who was ordered to the Naval General Staff.

4. (900-903) The Seiokai (Star and Cherry Society), an association for retired army and navy officers for the cultivation of friendship between the two services held a meeting at the Gunjin Kaikan in Tokyo on 5 December. Over three hundred members were present with the War and Navy Ministers and other high ranking active officers as guests of honor. During the course of the meeting Captain Hiraide of the Navy Ministry spoke concerning the attitude of the United States toward the Tripartite Pact and Pacific problems while Commander Hikasa also of the Navy Ministry spoke of the European situation and conditions in the South Seas.

5. (900-903) Qualification examinations of naval volunteers for the training year are to be held in the various naval districts during January and February, 1941.

6. (900-912-2500) According to an announcement by the Kure Naval Station on 29 November a submarine chaser (neither name nor number given ) was launched on that date at the Tamano Shipyard, Tamano, Okayama Prefecture.

7. (900-903-200) The Navy Ministry is preparing a site on reclaimed ground near Tokyo to give naval training to school children and other interested persons during their spare time. Sailboats, motorboats, A.A. guns, machine guns, torpedo tubes, signalling apparatus, etc. will be provided for the training and it is anticipated that 60,000 persons per year will receive a certain amount of instruction. Further details concerning this project will be reported as soon as they are made public.

8. The fourteenth Imperial grant of posthumous honors to navy personnel since the present conflict started was announced on 4 December. The list of names comprised 38 officers and men who were killed or died of illness between 1 December, 1938 and 10 April, 1940.

9. A joint funeral for four officers and 18 men including Lieut.(jg) (S.C.) K. Hattori and Warrant Officer J. Igarashi who were killed recently in China was held on 11 December at Yokosuka Naval Station.

10. According to press reports Vice-Admiral (S.C.) H. Araki (Ret.) will soon become president of the Ishikawajima Shipbuilding Co., relieving Vice Admiral K. Matsumura (Ret.) who has expressed a desire to resign on account of illness.

11. The stone lantern which the family of the late Japanese Ambassador to the United States, Mr. Hiroshi Saito, is presenting to the U.S. Naval Academy was reported to have been shipped from Kobe on 8 December. The lantern is said to be 25 feet high and weighs about 15 tons. It is inscribed as follows:

> "In memory of Japanese Ambassador Hiroshi Saito, who died at Washington on February 26, 1939, and whose remains were, by order of President Franklin D. Roosevelt, conveyed on board the U.S.S.Astoria to his native land, and in grateful appreciation of American sympathy and courtesy, this pagoda was presented by his wife and children to the United States Naval Academy, Annapolis, in October, 1940."

12. The following items concerning the U.S. Navy have received publicity recently in the Japanese press:

1.) The allotment of $50,000,000 for the development of bases acquired from Great Britain.

2.) A denial by President Roosevelt that the sale of armor plate to Japan is slowing up U.S. warship construction.

3.) The annual report of the Chief of Naval Operations in which he stressed the need for overseas bases.

4.) A Domei report from London stating that President Roosevelt is considering the convoy by U.S. naval vessels of merchant ships carrying supplies to Britain.

5.) A Domei report from New York to the effect that units of the U.S. Fleet will shortly leave Hawaii on a good-will cruise to the Dutch East Indies, Australia, Shanghai and other Far Eastern ports. This report concludes as follows:

> "In view of the tense international situation, the suggested cruise is attracting wide public notice. This cruise, besides being designed as a demonstration against Nippon, Germany, and Italy, is said to be planned for enabling the men of the Fleet to gain first-hand information about the British China Squadron and its formation and the area where the British Navy has planted mines in the western Pacific.
>
> "In addition to this, the proposed cruise is to facilitate the collaboration of the United States Fleet with the British Navy in the event of the outbreak of a Pacific war." //

* * * * *

N. I. 99—1940

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**ISSUED BY THE INTELLIGENCE DIVISION**
**OFFICE OF CHIEF OF NAVAL OPERATIONS**
**NAVY DEPARTMENT**

# INTELLIGENCE REPORT

Serial No. 10 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 103-100 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 14 January, 1941

Reference N/A Tokyo Report No. 139-40 (Directive, correspondence, previous related report, etc. if applicable)

Source Official (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Political - International Relations - Treaties (Main title as per index guide) (Subtitles) (Make separate report for each title)

Brief.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## JAPAN-THAILAND TREATY

The text of a five year Treaty of Amity between Japan and Thailand provides for mutual respect for the territorial integrity of the contracting powers. It also contains a clause whereby neither country will join in an attack on the other.

Whether this treaty will lead to closer cooperation or even an alliance between Japan and Thailand cannot be foreseen. Japan is encouraging Thailand to attack French Indo-China and is supplying her with planes and munitions. Certain nationalistic groups in Thailand are cooperating with the Japanese and seem willing to follow Japan's lead. Whether these groups will control Thailand's future moves remains to be seen.

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U. S. GOVERNMENT PRINTING OFFICE 16—18452

Report No. 10
Japan
14 January 1941

100 - Political
103 - International Relations
100 - Treaties

JAPAN - THAILAND TREATY

The text of the Treaty of Amity between Japan and Thailand signed in Tokyo on 12 June 1940 has been made public having been approved by the Emperor on 27 December, 1940.

The text of the Treaty as announced is as follows:

"His Majesty the Emperor of Japan and His Majesty the King of Thailand,
being equally animated by the earnest desire of reaffirming and further strengthening the traditional bonds of friendship between Japan and Thailand, and
being convinced that the peace and the stability of East Asia is the common concern of the two States,
have resolved to conclude a treaty, and for that purpose have named as their Plenipotentiaries, that is to say:

"His Majesty the Emperor of Japan:

Hachiro Arita, Zyosanmi, Grand Cordon of the Imperial Order of the Rising Sun, His Imperial Majesty's Minister for Foreign Affairs;

"His Majesty the King of Thailand:

Phya Sri Sena, Knight Grand Cross of the Most Noble Order of the Crown of Thailand, His Majesty's Envoy Extraordinary and Minister Plenipotentiary at the Court of His Majesty the Emperor of Japan;

"Who, after having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following articles:

Article 1. The High Contracting Parties shall mutually respect each other's territorial integrity and hereby reaffirm the constant peace and the perpetual friendship existing between them.

Article 2. The High Contracting Parties shall mutually maintain friendly contact in order to exchange information, and to consult one another, on any question of common interest that may arise.

Article 3. In the event of one of the High Contracting Parties suffering an attack from any third Power or Powers, the other Party undertakes not to give aid or assistance to the said Power or Powers against the Party attacked.

Article 4. The present Treaty shall be ratified and the ratifications thereof shall be exchanged at Bangkok, as soon as possible.

Article 5. The present Treaty shall come into effect on the date of the exchange of ratifications and shall remain in force for five years from that date.

"In case neither of the High Contracting Parties shall have given notice to the other six months before the expiration of the said period of five years of its

intention to terminate the Treaty, it shall continue operative until the expiration of one year from the date on which either Party shall have given such notice.

"In Witness Whereof the respective Plenipotentiaries have signed the present Treaty and have hereunto affixed their seals.

"Done in duplicate, at Tokyo, this twelfth day of the sixth month in the fifteenth year of Syowa, corresponding to the twelfth day of the third month in the two thousand four hundred and eighty-third year of the Buddhist Era, and the twelfth day of June in the nineteen hundred and fortieth year of the Christian Era.

(L.S.) Hachiro Arita

(L.S.) Phya Sri Sena "

**********

This treaty appears to be the usual innocuous friendly pact but as has been reported, Japan is making every effort to influence Thailand to join her in her plans to set up an "East Asiatic Autonomy sphere" and to "reject" European and American influence. The Japanese are supplying Thailand with planes, munitions and instructors and are encouraging Thailand to attack French-Indo China. The Thais seem to be willing to follow Japan's lead at least up to a point and may eventually become allied with Japan in her political and military venture in Southeast Asia.

O. N. I. 84

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From M/A Tokyo Date 21 Jan., 19 41 Serial No. 14 (Commence new series each January first) File No. (Submit proper number from O. N. I. Index)

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Subject Japan (Nation reported on) (Index title as per index sheet) (Subtitle)

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NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects pertaining to the navy.

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U. S. GOVERNMENT PRINTING OFFICE 6—[illegible]

Report No. 14
Japan
21 January 1942

## NOTES ON NAVAL SUBJECTS

1. (505) Carrying a crew composed of 54 students of the Kobe Higher Mercantile Marine School, the training ship SHINTOKU MARU, 2518 tons, left Kobe on 12 December for a cruise to Ponape, Saipan, and other ports in the South Seas. The vessel is due to return to Kobe about the middle of March.

2. (505-100) In view of the growing need of merchant ships, the Communications Ministry has decided to grant ¥135,000,000 during 1941 advance funds for the construction of the vessels. This figure represents an increase of 80 per cent over the amount granted last year.

3. (606-100) Under the revised Strategic Zones Law which came into force on 1 December, a number of towns and villages in Yamaguchi and Fukuoka Prefectures have been incorporated in the strategic zone under the jurisdiction of the Shimonoseki headquarters.

On the same day Yokohama city and harbor became a strategic zone and the taking of pictures there is prohibited without a license. Any pictures previously taken must be submitted to Tokyo Bay Strategic Zone headquarters for censorship.

The new limits of the above strategic zones will be reported when they are learned.

4. (900-903) The following changes in duty of naval officers have occurred recently:

Rear Admiral Masao Kanazawa, Naval Attache to the Japanese Embassy in Nanking and concurrently Resident Naval Officer in Shanghai was relieved of his Shanghai post on 17 December being succeeded by Rear Admiral Toshisaburo Fujita.

Captain Shigeto Kuwabara has been appointed Assistant to Rear Admiral Fujita in Shanghai.

Commander Akio Matsubara, Naval Attache to the Japanese Embassy in Ankara and to the Japanese Legation in Sofia was assigned concurrently to the Japanese Legation in Bucharest as Naval Attache on 16 January.

In compliance with an alleged request from the Nanking government for a group of military and naval experts to serve as advisors to the new regime, the Navy Ministry has designated Rear Admiral Hikojiro Suga and Commander M. Nakano for such duty. Major General Kagesa, Colonel Tanihagi, Colonel Kawamoto and Lieutenant-Colonel Haruki are the military members of the Commission.

It is understood that the above list does not include all the advisors appointed but the names of other advisors have not been learned.

All the above officers were members of the Sino-Japanese Commission which concluded the Sino-Japanese Treaty.

5. (908) Anti-espionage and anti-sabotage drills were held in the Osaka-Kobe area for three days beginning 15 January for the purpose of seeing if the people were on the alert to detect spies and to acquaint them with approved methods of combatting fifth columnists. During the exercises members of the "espionage bands" specifically organized for the purpose of acting as spies and saboteurs attempted to accomplish their tasks while the authorities and the populace were supposed to catch them in the act.

The following warnings were issued to the people:

1.) Special police cordons may be laid during the exercises and in such cases the public is cautioned against being frightened or starting wild rumors.
2.) The activity of fire engines during the exercises should not be made the occasion for starting canards.
3.) In case ordinary citizens are stopped and questioned by police officials or gendarmes, who are engaged in the detection of "spies", or their houses are visited, they should answer questions frankly. They should not do anything which may impede the exercises.

Press reports state that the people played the game enthusiastically.

6. (912) A ceremony for the return of the captured warship YUNGSIANG and eight gunboats to the Nanking government by the Japanese navy was held on Liukung Island near Weihaiwei on 13 December. In addition, barracks and grounds at Tsingtao, Lienyunchian, Chefoo, and Lungkow were also returned to the Chinese puppet government's jurisdiction.

Vice Admiral Mitsuyoshi Shimizu, Commander in Chief of the Japanese fleet in North China waters who presided at the ceremony made the following statement concerning the transfer:

"It is a matter for great congratulation that the transfer of the warship YUNGSIANG and the North China Special flotilla of gunboats to the National Government of China should be taking place on Liukung Island today.

"With the conclusion of the basic Sino-Japanese Treaty, the Japanese Navy decided to transfer the warship YUNGSIANG and the special North China flotilla of gunboats, the training of which the Japanese Navy took in hand.

"The transfer of these warships to the National Government today is nothing short of the revelation of the true intentions of Japan to construct a new East Asia hand in hand with China, and it is to be earnestly hoped that the Chinese Navy, given impetus by this most felicitous occasion, will strive to build up a powerful navy as speedily as possible, so that both Japan and China can maintain the peace of the Orient through close co-operation between the two nations."

7. The following items pertaining to American defenses have recently received publicity in the Japanese press:

1.) Changes in the high command of the navy. Comments were made to the effect that Admiral Kimmel is known to favor a stronger policy against Japan than Admiral Richardson.

2.) The proposed establishment of dirigible bases on both coasts.

3.) Rumors of the establishment of naval bases by the United States in Mexico.

4.) Admiral Towers' remarks to the effect that American naval planes are second to none and his prediction that our naval air strength would outstrip the Axis this year.

5.) The President's budget message which caused all the editorial writers in Japan to heap abuse on the United States in a frenzy of anger.

8. The first Naval parade of the year by the Yokosuka Naval Station was held on January 15 from 1:30 p.m. at the Yokosuka Naval Barracks. Rear Admiral Junichi Mizuno commanded the units parading.

It is probable that similar parades were held on the same day in all naval stations.

9. Captain Kanji Ogawa who recently returned to Tokyo from Washington lectured to cabinet Vice Ministers on 9 January concerning the general situation in the United States, including the arms expansion and warship construction programs.

10. A San Francisco telegram to the Asahi states that American authorities are evidently keeping a close watch over the movement of Japanese, particularly military or naval officers, after their arrival in the United States. It is further reported that Japanese officers are no longer permitted on trans-Pacific Clipper planes. Quite recently, the report continues, a certain Japanese naval officer booked a seat on a Clipper, but later the Pan-American Airways notified him that they could not take him on board. This notice came two or three days after the officer visited the Navy Department to say goodbye and told the authorities that he was going to Japan on the Clipper. The report concludes with the remark that the American authorities are anxious to prevent the possibility of the armaments on Guam and other Pacific islands being observed from the planes by Japanese.

11. Mr. Keizo Seki, Vice President of the Toyo Spinning Co. in Osaka, on 16 December donated ¥500,000 as a fund for the welfare of naval men and another ¥500,000 for research regarding their clothing materials.

Workers in Sasebo Naval Station on the same day donated ¥65,000 to the Navy Ministry for the construction of an airplane.

12. In the most recent edition of the "Shashin Shuho", an official weekly picture magazine, an unsigned article entitled, "East Asia Mutual Prosperity Sphere and Our Navy", appeared. According to the author, Japan by means of her invincible navy, must resolutely insist upon the establishment of the so-called East Asia Mutual Prosperity Sphere which to him means Japan, Manchoukuo, and China as a center and French Indo-China, Dutch East Indies, Thailand, Burma, Philippine Islands, Borneo, and New Guinea as the circumference. The point is made that with the resources of all these lands at her disposal Japan can be independent of all other countries.

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NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 34 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. ..... (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 27 February, 19 41

Reference ..... (Directive, correspondence, previous related report, etc. if applicable)

Source Various, mostly Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

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NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects relating to the navy.

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Report No. 34
Japan
27 February 1941

[redacted]

NOTES ON NAVAL SUBJECTS

1. The British Embassy in Tokyo had information believed to be reliable that a German naval office has been opened in Kobe for the purpose of supervising the fitting out and supplying of raiders. According to another source the raider KURMERLAND was originally fitted out at the Osaka Iron Works, and at this time a catapult and torpedo tubes were mounted. Work on German raiders is also said to be done at Harima Dockyard which is normally quite inaccessible to foreign observers.

2. German agents in Japan are endeavoring to arrange for certain Greek or other neutral vessels to carry gasoline from the United States to France. One Greek captain was approached with a plan whereby he was to clear his ship for the United Kingdom but was to actually deliver a cargo of gasoline into the Gironde. If his vessel were required to sail in convoy he was to pretend to have engine trouble. Once in the general area he was to hoist the German flag under the Greek flag, which would identify his vessel to German or Italian submarines and they would see him safely into port. Whether any definite arrangements have been made to carry out this procedure, is not known.

3. The three vessels which were reported to be reconditioning in Tsingtao for use by the Germans as raiders are now believed to be the CHEN HOI, the YUNGSIANG, and the HAI LI. The former vessel was at one time a Chinese man-of-war and was sunk by the Chinese at Tsingtao in 1938 and later raised by the Japanese. The latter two vessels are former Chinese merchant ships.

The CHEN HOI and the YUNGSIANG have been reconditioned and are now at anchor in Tsingtao, being manned by Japanese naval crews. The HAI LI is said to be still in dock undergoing repair.

It will be remembered (NA/Tokyo Report No. 14-41, Item 6) that a vessel named the YUNGSIANG was transferred from the Japanese navy to Chinese authority in December, 1940 at Weihaiwei. It is not known whether this is the same vessel which is now in Tsingtao.

6. The Ministry of Marine has admitted to the British Naval Attaché that it is planned to have the naval transport ASAKA carry "certain naval stores for the use of the Japanese Navy" on the outward journey from Lisbon. In this connection it is believed that the British have prevented the delivery of the "naval stores" to Lisbon and that instead the ASAKA will take delivery at Bilbao in Spain. It is understood also that the ASAKA may not return to Japan via Panama but may be sent around Africa.

7. (500-505)In response to a campaign launched by the Imperial Maritime Patriotic Association and the Japan Mercantile Marine Society for volunteers to serve in the merchant marine, more than 900 young men have requested training. Those accepted are to be trained by the two organizations and will be later assigned to the various steamship companies.

8. (500-505) Mr. Rokuro Harada, President of the Harada Steamship Company, the Osaka Prefectural government, and the

Japan Mercantile Marine Society has made contributions totalling ¥1,000,000 for the construction of a new merchant marine training school. An eight acre site in Sano, Sennan-Gun, Osaka Prefecture has been purchased and construction on the school is to be started in April. It is expected to be completed before the end of the year.

9. (600-602-800) An institute for research in shipbuilding is expected to be established in April with a staff of about 100 experts for the purpose of making Japanese shipbuilding technique equal to that of foreign countries. The fact that engines for their vessels are built under foreign patents is particularly galling to the Japanese and the institute will make a special effort to remedy the situation.

10. (900-912-2000) A ceremony for transferring four Japanese naval vessels to Chinese authority was held in Canton on 4 February. Comdr. Soejima acting for the Japanese navy, declared as follows regarding the transfer:

> "Since its inauguration last May the local Chinese River Defense Headquarters has been rendering untiring efforts for its replenishment both in strength and staff members with positive efforts of our Japanese navy. And the Japanese navy has so far lent three warships besides arms and ammunition and today one more warship to China. Out of these four ships a gunboat, KIANGTUNG, has been active on the Pearl River since February 1. By the end of this month all of them will begin their activities to preserve peace and order in the Pearl River delta, in full co-operation with the Japanese navy."

The names of the other three vessels which were transferred were not mentioned in the press.

11. (900-903-200) Two groups of Chinese seamen have been graduated and a third group is now undergoing training at the naval station on Liukung Island, near Weihaiwei which was established by the Japanese several months ago. Training is said to be conducted in the Japanese language and the length of the training course is three months. Upon graduation the students are assigned to nearby coast defense stations.

12. (900-903) An airplane carrying Admiral Baron Nineo Osumi, Supreme War Councilor, Rear Admiral Hikojiro Suga, Commander Takao Sumita, Commander Eiichi Shirahama, Commander (SC) Chugoro Tachimi, and Lieutenant Hideo Matsuda crashed on 5 February near the summit of Mt. Huangyang, in the vicinity of Canton, killing all of the occupants.

According to the Japanese version, the plane was enroute from Canton to Hainan Island in low visibility and had insufficient altitude to clear the mountain. The wreckage of the plane was located by Japanese airmen and a naval landing force hastened to the spot and recovered the bodies. The Chinese, however, claim that the plane was shot down by Chinese guerillas and the bodies together with important papers were recovered by them.

13. (900-903-100) Since the Army volunteer system was established in 1938 in Korea, the number of applicants has been rapidly increasing from year to year. On February 18 at a

budget committee meeting, Mr. S. Boku, a representative from Korea, asked whether the Navy had any intention of establishing a similar system in Korea. In answer to the interpellation, the Chief of the Military Affairs Bureau, Rear Admiral Takazumi Oka, made the following comment:

> "I agree with Mr. Boku as to the desirability extending the same treatment to nationals born in Korea as those born in Japan Proper. However, for reasons including numbers of volunteers and conscripts, the Navy does not think that now is the time to establish the volunteer system in Korea. In the future we shall give due consideration to the matter."

14. (900-903-100) At the committee meeting on February 20 to consider the Toa Kaiun Company, Ltd. law bill, Mr. M. Yonekubo, M.P. asked whether Naval authorities had any intention of revising the Naval Reservists' Regulations so as to enlist all the crews of merchant vessels as Naval reservists regardless of their rank or training, or of revising the Military Service Regulations so as to enlist Army reservists as Naval reservists after a certain period of training, in view of the present close relationships between the Navy and mercantile marine. In answering, the Vice Minister of the Navy, Vice Admiral Toyoda suggested the possibility of such revisions in the near future. The following is the gist of his statement:

> "I think your proposal is quite reasonable. In England, for instance, at every opportunity Naval officers, including captains, of merchant vessels are exchanged so as to unify the two units. The Japanese Navy in conjunction with various authorities concerned have long been considering the enlistment of all the crews of mercantile marine as Naval reservists, and is desirous of an early embodiment of such an idea."

15. (900-903-100) According to Captain Hamanaka, Chief of the Naval Personnel Office in Osaka, the low intellectual quality and lack of common sense of this year's naval conscripts is a matter of grave concern. Following are some of the questions and answers in the examination given to conscripts in his district:-

Q. In which direction does the equator lie ?
A. To the west of Japan.

Q. Where is Formosa ?
A. North of Japan.

Q. To whom do French Indo-China and the Dutch East Indies belong ?
A. I don't know.

16. (900-903) Rear Admiral Chou Kwang Tsuo, naval attaché of the Nanking government to Tokyo, arrived in Yokohama on 19 February with three officers of his staff.

17. Each of the 35 branches of the Nippon Women's Patriotic Society have decided to contribute one military airplane to either the army or the navy. The campaign for donations was originally meant to cover the cost of 10 airplanes for each service, but contributions mounted so rapidly the effort was increased to cover the cost of 35 planes.

18. The Japan Actors Association has decided to campaign for ¥100,000 from its members for the purpose of building airplanes for the armed services.

19. The Nippon Marine Products Company on 12 February, donated ¥50,000 each to the War and Navy Ministries for building military planes. The sums represent donations by 12,000 employees of the company.

20. A mass lecture meeting attended by 6,000 persons was held in Osaka on 8 February to hear discussions on "The Pacific Problem" and "National Air Defense". The meeting was sponsored by the Osaka Prefectural authorities and the Central Defense Headquarters. Lieut-Col. Koai delivered the principal address and among other things declared as follows:

> "At the time of the Treaty of Versailles, the Americans displayed an unfavorable attitude toward Japan.
>
> "In the ensuing years - during the Washington conference, the Manchurian incident and the present China affair - American antagonism has mounted to such an extent that Japan at present is grinding its teeth with vexation. The relation between the two countries has come to a crisis and in some American quarters, opinions are voiced to completely disregard a compromise.
>
> "If and when a war breaks out between these countries, it is practically certain that the U.S. will try to effect an economic blockade because Japan hitherto has been depending on foreign countries for its important commodities. On the other hand, over-estimating that Japan has dissipated its national power through four years of hostilities with China, America is intensifying its aid to the Chiang Kai-shek regime, and consequently, viewed from the natural tendency the United States, will participate in the European war when the Germans attempt an invasion on British Isles.
>
> "Taking these conditions into account, it is imperative that Japan will be exposed to aerial attacks and should stress the absolute necessity of our speedily completing the anti-air raid measures."

Another speaker at the meeting was Captain Hamanaka, Chief of the Naval Personnel Office in Osaka who talked for more than forty minutes on the topic, "The American Attitude towards Japan and the Pacific". His quoted remarks are as follows:

> "Japan-U.S. relations reached a climax repeatedly in the past, but war did not eventuate simply because America lacked real power. Ever since, however, America has been concentrating on the armament and naval expansion program and at the same time, assisting the Chunking Government. Particularly after the Tripartite Alliance was signed, the United States started preparing for war with Japan, taking such measures as establishing a Consulate-General at Vladivostok, thus hoping to place itself at an advantage in case of emergency.
>
> "Whether they like it or not, the Japanese people must form a single mind in arms, politics, ideas, economy and in other capacities to prepare for the coming war."

21. In answer to a question by a member of the House of Representatives at a committee meeting as to whether the Japanese naval authorities considered the expansion of Pacific defenses including the fortification of Guam proposed by American authorities too provocative a measure against Japan, Vice Minister of Marine, Vice Admiral Toyoda, made the following statement:

> "Appropriation of $240,000,000 for the expansion of Pacific defenses was approved by the U.S. House of Representatives on February 19, and it is now before the Senate. Of this amount, $4,700,000 is to be devoted to the defense costs of Guam.
> "The Navy does not think a measure of such an extent will create a serious menace against our national defense. In forming plans, the Navy has taken into consideration such matters."

22. The following is a summary of an editorial which appeared in the Chugai Shogyo newspaper recently during discussions of defense appropriations in the American Congress:

> "The bill proposing the expansion of American naval bases on the Pacific was unanimously approved by the House of Representatives on February 19, and was sent to the Senate. In view of speeches most provocative against Japan heard during the discussion of the bill, it is clear it pivots around the expansion of defenses at Guam and Manila. It is expected that with the expansion of these defenses, which lie closest to Japan among American naval bases, her Pacific strategy will take on more positive aspects.
> "Guam has a population of around 23,000, of which over 10,000 are white. The island has been under the governorship of a naval officer appointed by the President, and the present governor is Captain Alexander, who was nominated in 1937. Thus it is true that the island has been under naval rule ever since it was ceded by Spain. Nevertheless, up to the present, Guam has had facilities sufficient only for a station for the trans-Pacific air route, and only about 600 men are stationed there. It is recalled that the proposal to fortify Guam as a strategic base against Japan has repeatedly been brought up. For instance, Admiral Hepburn first proposed in January, 1939, the fortification of the island to support the defense of the Philippines. The House of Representatives rejected the bill on February 23 for the reasons that the island was too far distant from home to be an effective base, and that it was too much of a provocative measure. Toward the end of the same year, the U.S. Navy Department again introduced a similar bill, which was rejected also. At last, however, the positive theory advocated by Admiral Hart and others won favor, and a large-scale fortification of Guam has been approved."
> "As for Tutuila and Rose Islands, they belong to the American Samoa Group. Pagopago harbor of Tutuila Island is considered to be the best port in the South Seas.
> "The islands are ruled under the supervision of the U.S.Navy by a governor, assisted by a council composed of natives. Ever since the islands became U.S. territories in 1872, they have been employed as supply bases of American naval vessels and merchant ships. The bill effects the erection of defenses at the two islands for the first time."

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O. N. I. 88—1940

**ISSUED BY THE INTELLIGENCE DIVISION**
**OFFICE OF CHIEF OF NAVAL OPERATIONS**
**NAVY DEPARTMENT**

APR 3 1941

# INTELLIGENCE REPORT

Serial No. 40 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 12 March, 19 41

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Various (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitle) (Make separate report for each title)

BASIC.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects pertaining to the navy.

Op-16
Op-16-F
CinC Pac
Op-11
Op-12
} Note 11

Op-16-F-8 Note 119

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U. S. GOVERNMENT PRINTING OFFICE 16—12405

Report No. 40
Japan
12 March 1941

NOTES ON NAVAL SUBJECTS

1. (505-300) As the result of a study by the Commerce and Industry Ministry of methods to increase the transportation capacity of iron ore from iron mines on the Yangtze River to Japan, it has been decided to build three special type freighters for this purpose. The vessels to be constructed will be about 52 feet in beam, 400 feet in length with a tonnage of 5,750. Four V-shaped holds are to be built in the vessels and special cranes provided for the quick loading and unloading of the ore. It is said that due to the fact ordinary freighters are at present being used to carry the ore to Japan there is a dearth of bottoms for the transportation of other highly essential goods.

2. (900-903) According to a report received by the Embassy in Tokyo about two thirds of the 200 Japanese naval officers in the Sungari River Flotilla returned to Japan in February. It is believed that these officers were returned to Japan for a special course of instruction in connection with the announced policy of strengthening the river fleet and border defences.

3. (900-903) Vice Admiral Koki Yamamoto was appointed Commander of the Sako Secondary Naval Base on 28 February, replacing Vice Admiral Koremochi Takahashi, whose new duty has not yet been announced.

A brief of Vice Admiral Yamamoto's career is as follows:

| | |
|---|---|
| 1887 | Born in Wakayama Prefecture |
| 1908 | Graduated from the Naval Academy |
| 1929 | Commander of 16th Destroyer Division |
| 1930 | Promoted to Captain |
| 1931 | Commanding Officer of NAKA |
| 1932 | Commanding Officer of MAYA |
| 1933 | Commanding Officer of ISE |
| 1935 | Head of Bureau in Naval Technical Department |
| 1936 | Promoted to Rear Admiral |
| 1936 | Head of Ordnance Section, Yokosuka Naval Station |
| 1938 | Head of 2nd Section, Bureau of Aeronautics |
| 1940 | Promoted to Vice Admiral and attached to Naval General Staff. |

4. (900-903) Admiral Seizo Kobayashi, former Governor General of Formosa, returned to Tokyo from an inspection trip to Hainan Island on 10 March. Commenting on conditions on the Island, Admiral Kobayashi declared:

> "Tranquility has been prevailing over the whole part of Hainan Island with peace and order completely restored to normalcy thanks to the untiring efforts of Imperial forces. The development of the island may be paved with some difficulties because of its considerably large area. Cattle-breeding and the mining industry have bright prospects. According to experts, the mines are some of the most promising ones in the world."

5. (900-903) Two artists, Mr. Yasohachi Saito and Mr. Kingo Otsuka, who joined naval forces in South China in the early part of February to paint battle scenes, were killed in action near Canton on 4 March.

6. (900-903) Some 15,000 army and navy war dead who were killed in action or died of sickness during the present conflict will be enshrined at Yasukuni Shrine on 23 April.

7. (900-903-100) Naval conscript examinations in the various districts for this year were completed on 23 February with about 46 per cent of the applicants being qualified for naval service. According to the press the rural candidates were as a rule physically fit but academically wanting.

8. (900-903-100) In accordance with a recent revision of the Military Service Law the "Second Reserve Service" for both military and naval men will be abolished on 1 April 1941. At the same time the term of service in the First Reserve for army men is to be increased from 5 years and 4 months to 15 years and four months while the service of navy men in the First Reserve is to be increased from 5 years to 12 years. Men who are now in the Second Reserve will have their term in the First Reserve decreased by the amount of time which they will have served in the First and Second Reserves on 1 April, 1941.

9. (900-907-100) According to the press, the Shipping Protection Bill, which was introduced by the Navy Ministry and approved by the Diet during its recent session, is designed to protect Japanese shipping from enemy attacks on the high seas thereby enabling Japan to carry on the transportation of materials from other countries in time of emergency with complete security.

Comments made by Commander Jutsu Sato in explaining the bill to the House of Peers and which appeared in the press were as follows:

"The Shipping Protection Act will be invoked when and if Japanese merchantmen are placed in dangerous positions as a result of developments of the present China affair, or a possible outbreak of a new war between Japan and a third Power.

"The system to protect shipping during war periods was early developed in Europe. But in Japan, this is the first time that such a bill has been introduced to the Diet.

"Of course, during the Russo-Japanese war, all merchantmen of Japan were placed under the protection of the navy, but at that time, the danger of being attacked by submarines and airplanes was negligible.

"The protection of shipping would not be so important for a country like America, which possesses abundant materials within its boundaries. However, this country must constantly import materials from other countries both in times of peace and war.

"At present, many Japanese merchantmen are making trips to the South Seas regions and as far as North and South America. All these vessels must be protected by the navy in case of emergency.

"The first step to be taken in such an event is to establish close liaison between these ships and the naval authorities. The positions and courses to be taken by these vessels will be decided by naval experts. In case the situation becomes further aggravated, all merchant ships will be ordered to return to Japan immediately, following the courses designated by the navy.

"Generally speaking, merchantmen are like women and children for they are more or less powerless against the attacks of enemies without rescuers. However, the dangers of being attacked can be minimized by taking the following precautions:

"1. Constant and close watch against submarines and mines.
"2. Making the color of the smoke issuing from funnels as light as possible.
"3. Navigation in the dark.
"4. Sailing at high speed.
"5. Sailing in a zigzag course.
"6. Colliding with enemy submarines in case of attack.
"7. Special sailing so as to avoid torpedoes.
"8. Taking refuge behind a smoke-screen.
"9. Camouflaging.

"Besides these measures, merchant vessels are permitted to mount two guns of less than six inches, and one anti-aircraft gun of less than three inches, but even with these weapons, they can hardly be expected to escape safely from enemy submarines when the latter have spotted the former on the high seas. This weakness of merchant vessels has paved the way for the development of the convoy system.

"During the last Great War, Germany launched an unrestricted hit and run warfare on the seas with a total of 106 submarines. In February of the year when Germany started this, the Allies suffered a loss of 540,000 tons of merchant shipping; 570,000 tons in March and 860,000 tons in April.

"Greatly embarrassed by the heavy losses inflicted on its shipping by German U-boats, Britain adopted the convoy system, which immediately reduced the losses considerably, for subsequent to the adoption of the system, 25 per cent of unescorted ships were sunk, while only 6 per cent of convoyed ships suffered the same fate.

"A Collective convoy system consists of two methods, direct and indirect. When naval forces are not large enough, and when there is little danger of being attacked by submarines, the navy will merely watch the courses to be followed by merchantmen.

"When the courses are exposed to great danger, the merchant vessels are ordered to gather in a fan formation. In this way, they may sail on a zigzag course under the constant watch of airplanes.

"That which has already been stated is the bulk of what is aimed at by the bill. While the waters of the Pacific are troubled, the nation must clearly understand the importance of the measures to be taken against sea transportation destruction warfare."

10. About 700 geisha in Kyoto donated ¥130,000 on 19 February to the Navy Ministry for the construction of two airplanes. A delegation of 30 representatives of the geisha guilds were conducted through Maizuru Naval Station as a reward for their patriotic act.

11. During a lecture recently before the Shimeikai, a private cultural society, Admiral Sankichi Takahashi (ret), former Commander in Chief of the Combined Fleet, declared that Japan's southward advance has passed the stage of discussion and the nation should make preparations for it. He added, that when

Japan's preparation has been completed through close national co-operation, Japan's southward push will spontaneously succeed.

Other remarks made by the Admiral are quoted for information:

"With regard to Britain, the country will, as I have said a while ago, surely be defeated by the submarine warfare of Germany. If the British Isles are destroyed, the vast dominions all over the world will naturally be disconnected, but when the British Empire withdraws from world domination, it will bring another Power to take charge of its interests. This Power will be no other than the United States, which will gladly undertake the task. Here rises the Japanese-American problem.

"Shortly after the formation of the present Konoye Cabinet, Japan actually entered the Axis through the Tripartite Alliance. Thus Japan's foreign policy was firmly decided, and, as a result, Japan announced her intention to create an East Asia Co-prosperity Sphere.

"The United States and Britain, however, do not recognize Japan's policy. On the contrary, the United States is tightening its embargo upon our country.

"The United States was maintaining a favorable attitude to Japan when Japan opened ports to foreign countries. But with the remarkable development and expansion of Japan, the United States changed its attitude unfavorably, especially since the Manchurian affair. The United States looks on the present China Affair in the light of a Japanese invasion and aggression on the China continent.

"Since the United States has placed restrictions upon us, it is of vital necessity to get supplies of necessary materials from other countries than the United States. South America is too far from Japan, and none of the South American countries has all the materials Japan wants. Naturally Japan must keep its eye on the Netherlands East Indies.

"The United States, fearing Japan's southward push, has been consolidating a war structure.

"Should war break out between Japan and America, not all the American fleets will enter Manila, despite the common conception of the amateur. Far from such conception, fleets will hide themselves, for nothing is more consumptive in sea warfare than searching for enemy ships.

"The main fleet battles of the past would never occur. We must expect submarine and airplane warfares in a future war. The United States would try to blockade Japan. We must be prepared for considerable losses on the part of our merchantmen. Japan must break the blockade, so the war would inevitably become a long one.

"Japan's navy, however, is fully prepared for any eventuality. Our navy is convinced it cannot be defeated by a navy of any other nation.

"In this sense, it is most important that the Japanese nation make up its mind to tide over any difficulties, while preparing for any eventuality. If we are fully prepared, the Netherlands East Indies problem will be solved naturally in favor of us, even without resorting to arms.

* * * * * *

12. Passengers returning to Japan from Los Angeles recently were alleged by the Asahi to have said that the public in the United States is strongly opposed to American participation in war, and therefore, though nation-wide efforts are made to supply arms to Chiang Kai Shek, the workers in various munitions factories, fearing that this will lead to America's entry into war, are going on strike.

They are also quoted as saying that this trend extends to the navy, for just prior to recent wide-scale maneuvers many bluejackets deserted because they thought the United States had declared war on someone. As a result, their ship was stranded in San Francisco and the Navy Department had pictures of the deserters posted in various post offices, offering rewards for their capture.

13. In another verbal blast at the United States, the Yomiuri claims that in spite of the desire to assist Britain with ships, we have shown ourselves woefully weak in shipbuilding capacity. For instance, it says, if substantial aid is to be rendered, the United States must build 1,500,000 tons per year whereas only 280,000 tons were built year before last and only 540,000 tons last year. Summing up the situation, the paper states that even though we have the materials and equipment, the workmen are not competent and we can hope for no better than to build worthless merchantmen and men-of-war as was the case in the last war.

14. Items concerning United States defenses which have received considerable publicity in the Japanese press during recent weeks are as follows:

(1) The unanimous approval by the House Naval Affairs Committee of the Vinson bill to increase naval personnel to 232,000 men.

(2) War Department plans to send two additional squadrons of pursuit planes to strengthen Philippine defenses.

(3) The granting to the United States by the Panamanian government of sites for aircraft bases.

(4) Approval by the Senate Naval Affairs Committee of projects for Guam, Samoa, and bases in the Western Hemisphere acquired from Great Britain.

(5) Investigations at the Kansas City Art Institute to perfect the art of concealing industrial centers by means of camouflage.

O. N. I. 86—1941

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ISSUED BY THE INTELLIGENCE DIVISION
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NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 41 (Start new series each year, i. e. 1-40, 1-41)

Monograph Index Guide No. 400-411 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 12 March, 1941

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Commercial Attache, American Embassy, Tokyo (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Economics - Industrial Summary (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basic.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, phone, dates, etc.)

## ECONOMIC CONDITIONS IN JAPAN DURING 1 9 4 0

A survey of economic conditions in Japan during 1940. It should be noted:

a) There was a general economic recession with decreased industrial production, agricultural output, foreign trade, ordinary business transactions and general internal prosperity.

b) Industries suffered from shortages of materials, labor, fuel, and electric power.

c) Agricultural output was 8.5% below 1939. Large quantities of rice had to be imported.

d) Foreign trade is unsatisfactory with an import excess of ¥880,000,000 with foreign currency countries.

e) The great strain on the nation's finances continued due to heavy military expenditures.

f) Heavy industries will suffer even more during this year because of American export control of scrap iron, machine tools, etc.

g) Commodity prices have been stabilized by government control but the cost of living has risen considerably more than wages.

h) The trend of Japan's economy depends almost entirely on the European war, and on whether she can obtain essential commodities from China, Indo-China and the Netherlands Indies. The prospects are poor.

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U. S. GOVERNMENT PRINTING OFFICE 16—15402

Report No. 41
Japan
12 March 1941

400 - Economics
411 - Industrial Summary

# ECONOMIC CONDITIONS IN JAPAN DURING 1940

The following survey of general economic conditions in Japan during 1940 was obtained from the Commercial Attaché of the Embassy in Tokyo.

## General

Major efforts during 1940 were directed towards the reorganization of Japanese economy under State Control and the creation of a strong yen bloc area. Japan continues in her efforts to become economically independent and self sufficient.

State control has been extended to every phase of the nation's life - industrial, financial, agricultural, commercial, political and social. While some progress has been made, the year 1940 witnessed a general economic recession with decreased industrial production, agricultural output, foreign trade, ordinary business transactions and profit, and general internal prosperity.

## Industrial Production

All available reports indicate a slow deterioration of industry under the continuous strain of the protracted struggle in China, the serious shortages of essential materials, labor and electric power, and a further decline in industrial efficiency.

Heavy industries suffered greatly from shortages of materials.

Light industries and plants manufacturing consumers products suffered even more heavily.

## Agriculture

Agricultural output was 8.5% below 1939. The rice crop was lower by 11.7%, cocoon production lower by 3.6% and barley by 3%. Wheat output gained 8%. Government control of agricultural products including official price fixing and a rationing system, were extended.

There was a general scarcity of daily necessities and high prices prevailed in spite of government control.

## Foreign Trade

Detailed foreign trade statistics are no longer published (since Oct.16,1940) but such information as is available shows an unsatisfactory condition. The import excess with foreign currency countries was approximately ¥880,000,000.

Trade prospects are not good because of Japan's relations with the United States and Great Britain. Efforts to obtain needed raw materials from the Netherlands Indies and from French Indo-China have been intensified.

## Business Activity

Domestic business experienced a certain degree of prosperity but this was largely offset by higher commodity prices, scarcity of supplies and officially restricted business activities. Numerous small and medium sized firms have been forced out of business. Large business interests show the effects of unsound State control and there are unmistakable signs that many key industries are on the down grade from inefficient management and financial strain.

## Transportation

Japan's entire commercial transportation system is in a decrepit state. Railway equipment is old and urgently in need of repairs. Trucks, buses, and private automobiles need replacing. Roads are deteriorating.

Shipping facilities suffer from shortages of repair materials, iron and coal. Invisible payments for shipping services have been substantially reduced due to the curtailment of overseas shipping. Military conscription of vessels has increased the shortage of bottoms.

## Trend of Economic Legislation

State control over the production distribution and consumption of essential materials was intensified in 1940. This control extends to corporate and bank funds, foreign exchange, foreign trade, commodity prices, farmlands, forests, etc. The trend toward totalitarianism was accelerated throughout the year.

## Financial Developments

The strain on the nation's finances was manifested by an increase in ¥1,112,377,000 in the note circulation, a decline of 12% in the rate of national bond absorption, a rise of ¥6,668,000,000 or almost 24% in the national debt, increased taxation, an increase of 117% in the import excess with foreign currency countries and a reduction of 50% in gold exports.

By the end of 1940 the China Incident had cost Japan over sixteen billion yen.

National debt on 31 Dec. 1940 was ¥28,250,000,000 - almost three times the national debt in July 1937.

The 1941-1942 Budget is yet to be approved but the total will be almost ¥13,000,000,000 including a bond issue of ¥7,000,000,000. Approximately half of the budget is for military and semi-military expenses.

Bond digestion in 1940 was 78% - a decline of 12% from the previous year. This appears to be an unsatisfactory condition caused by decline in business activities, higher living costs, the prevailing tight money market and perhaps doubts about the value of the bonds. Government efforts to conscript all available funds for wartime industries and bond absorption continue.

## Tax Revenue

Taxes have been revised upward four times since 1937, but for the first nine months of the present fiscal year the receipts from taxes were lower than in 1939 indicating a decline in general business activity. Estimated tax receipts for the 1941-42 budget amount to ¥3,690,000,000.

## Money Market

The general monetary situation was featured by a decided scarcity of funds, but year-end settlements were completed without serious financial difficulties being encountered. On 31 December 1940, note circulation amounted to ¥4,930,000,000 or ¥1,110,000,000 more than in December 1939.

## Stock Market

Caution and apprehension dominated stock market sentiment and share prices followed a steady downward tendency throughout the year. The Tokyo Stock Exchange price index fell from 189.2 in January to 152.6 for November.

## Industrial Development and Production

All available indices indicate a volume decline in industrial output during 1940. The principal factors responsible for this decline are shortage of skilled labor, materials, fuel and electric power. Accurate statistics are not available but the general index shows at least a 3.6% decline for the first eight months of the year. Inasmuch as manufacturing conditions during the last four months were much more unfavorable, it is probable that the decline for the entire year was considerably greater.

## Iron and Steel Industry

The greatest problem facing the industry is that of finding substitutes for American scrap iron. Iron and steel mill operations will undoubtedly be drastically curtailed during the coming year. While efforts are being made to conserve existing stocks and to exploit iron resources of North China, the problem is a very serious one which will probably not be solved satisfactorily.

## Employment and Wages

Employment in the metal industries rose 6.3%, machine tool industries 12.3%, chemical industries 2.5% while in the textile and paper industries employment fell 6.1% and 7.9% respectively. Average wage rates increased 8.2% but living costs increased 18.3%.

## Commodity Prices and Living Costs

The price indices indicate an average increase in wholesale prices of 30% and in retail prices of 50.5% since July 1937. The Government now controls prices of all important commodities and is, by drastic measures, preventing prices from increasing.

Living costs for salaries workers were 17.4% higher and for laborers 18.3% higher than during 1939.

## Agriculture

The government now controls the production distribution and prices of agricultural products, but no solution has been found for the shortages of labor, farm implements, and fertilizers. Extensive plans to increase agricultural production in 1940 were unsuccessful. It is estimated that the output of the leading crops declined about 8.4%.

## Raw Silk

Total raw silk exports are estimated at 289,382 bales, a decline of 25% as compared with 1939. Shipments to the United States are estimated at 254,810 bales, a decline of 23.1%. The existing depression in the raw silk industry has been due primarily to diminished demands of American importers although government price control, distribution control and the anti-luxury laws have also played an important part in depressing the market.

## Rice

The final estimates for 1940 place the rice crop at 310,000,000 bushels which is 6.6% below the average of the last five years. There is a shortage of rice which will necessitate fairly extensive imports during 1941. Arrangements have been made to acquire 900,000 tons from French Indo-China on a barter basis. Further purchases may be necessary. It is probable that Japan will have to continue to import foreign rice in spite of government measures to increase production, to encourage the use of such substitutes as bread, noodles, potatoes and beans, and to enforce the use of mixtures of rice and barley.

## Outlook for 1941

The trend of Japan's economy, not only for 1941, but for many years to come, depends almost entirely on the outcome of the European War. Certain progress has been made toward the realization of the two major objectives: the establishment of a highly organized national defense system, and the creation of a Greater East Asia Co-prosperity Sphere. Vast preparations for a more extensive war are now underway. All resources of this country, China and Manchuria are being mobilized, production of war materials and supplies is being speeded up, labor is being regimented and re-allocated, financial resources are being conscripted, foodstuffs are being preserved and legislation enacted giving the Government sweeping powers over all matters pertaining to national defense. Those efforts are being strongly supported by a large majority of the Japanese people notwithstanding the hardships and deprivations they envisage and those already being suffered from the four year embroilment in the war with China.

A certain degree of success has been achieved in the establishment of the Greater East Asia Co-prosperity Sphere with the subjugation of a good part of French Indo-China and the improvement of relations with Thailand, but actual consummation of this grandiose scheme depends entirely upon the nature and scope of interference offered by the United States and Great Britain. On this one issue rests the destiny of Japan. Any attempt to forecast the trend of developments during the coming year, therefore, must be prefaced by an emphatic "If-Japan-Is-Not-Drawn-Into-the-European-War".

Regardless of whether Japan becomes embroiled in the European War, her general economy during 1941 must inevitably continue the recessionary trend which prevailed during 1940. Demands on industrial production will certainly be intensified, as will the difficulties to be encountered in securing adequate supplies of raw materials, labor, coal and electric power. The vanishment of the United States as a reservoir of essential materials will leave a wide gap in the supply and demand position, one impossible of bridging by shuffling sources of supply. Stocks on hand are an enigma, but it is believed that these represent a very limited quantity. With the declining efficiency of transportation facilities, particularly shipping, it will be increasingly difficult to obtain delivery of even the limited volume of materials available in Manchuria, China and French Indo-China. A greater stringency must, therefore, also be exercised in the supply of civilian demands, with even further curtailment of daily necessities.

From a financial standpoint the strain of national bond absorption will be felt more acutely than heretofore for business profits will decline, commodity prices will advance, production costs rise, and living expenses mount to record levels. Numerous methods will be employed to augment national savings and to more completely concentrate all financial resources in the hands of the Government. Foreign exchange will be more rigidly controlled but money will be of secondary importance for this is the era of commodities, not money. Continued tension will most likely prevail in the money market from loss of equilibrium between the supply and demand of capital. All financial institutions will become further weakened from the surfeit of national bond holdings, and the nation will be drawn several steps nearer to the brink of financial disaster. However, no actual collapse is anticipated during 1941.

Japan's international relations are very problematical for if all international diplomacy is to be governed by Axis motives, relations with many countries, the United States in particular, are fraught with much danger. Commercial relations therefore will be seriously impaired, and foreign trade with dollar and sterling areas notably reduced in spite of the sore need for essential materials. To offset this loss in trade the military will attempt to squeeze more goods out of China and French Indo-China, greater pressure will be brought to bear on the Netherlands East Indies and other prospective segments of the Co-prosperity Sphere, and larger use made of synthetic products. Also, a more extensive utilization of the yen in the settlement of international accounts will be attempted to ease the pressure on foreign exchange balances. Export trade with other areas will be vigorously pursued through compensatory trade agreements and the barter system to insure the largest possible quantities of imports of essential goods. Nevertheless, a sharp drop in both exports and imports is expected.

A further aggravation in agricultural conditions is expected due to more pronounced shortages of fertilizers, labor, farm implements and farm animals despite the official measures instituted to augment supplies and the extension of State control over distribution and consumption of farm products. No optimism is warranted for increased grain production, and the outlook for the raw silk industry is extremely gloomy as this product is faced with the probable loss of its chief market and main source of revenue. The government's price fixing policy precludes all possibilities of any broad advance in agricultural prices or lands. Farm income, therefore, will show little

improvement, financial problems will be intensified, and living conditions will grow worse. Furthermore, positive participation in bond purchases by the rural population. Despite this discouraging picture the actual living conditions of the farming classes will not be as adversely affected by the repercussions of the China Incident and the European War as those of the urban population.

Admittedly Japan is faced with desperate economic, financial, commercial, political and social problems, the solution of which is largely in the hands of idealists and military opportunists. She is following very closely in the steps of Germany and making almost all the economic mistakes Germany made in the World War of 1914-18. She has yielded to the dangers of controlled economy, has exposed herself to economic and military pressure from the United States and Great Britain, has assumed the responsibility for the defiant isolation of East Asia, and has cast her destiny in with that of Germany. In every respect the nation is weaker today than she was before the advent of the China Incident. There are many indications of the disintegration of economic, financial and social structures, but there are not sufficient signs to warrant a definite statement that an immediate collapse is inevitable.

Japan's salvation in 1940 was Germany's success and the collapse of France, which enabled Japan to obtain urgently required supplies, especially rice, from French Indo-China. For 1941, her stake is in the Netherlands East Indies and in the bargaining power of those vital materials, such as tin and rubber obtainable there and absolutely essential to the economic and defense programs of the United States.

N. N. I. 90—1940

15855 (6 - 4)

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# INTELLIGENCE REPORT

Serial No. 42 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 603-300 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 12 March, 1941

Reference (Directive, correspondence, previous related report, etc. If applicable)

Source Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Unverified (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Cities & Towns - Coast Defenses - Air Defenses (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basis.—(Here enter careful summary of report, containing substance succinctly stated, include important facts, names, places, dates, etc.)

## JAPANESE VIEWS ON THE POSSIBILITY OF AIR RAIDS

At a recent conference between Japanese naval aviators and newspapermen, the officers aired their views on the possibility of air raids in the event of a U.S.-Japanese war.

From the conversations, several noticeable conceptions prevalent among Japanese present themselves for inspection. These are:

1.) Japan would make an effort to bomb our air bases at Midway, Wake, Cavite, Olongapo to discourage concentrations being readied for possible attacks on her.

2.) Patrol planes will probably patrol offshore to a distance of not more than 300 miles.

3.) The Japanese are certain we will not raid from the direction of Alaska, and that they have no great fear of the Soviet.

4.) Air raids, like death and taxes, are a certainty in the event of a war.

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| Attached at | | Op-16(1) | Op-12 | Op-13 | Op-14 | Op-20 | Op-21 | Op-22 | Op-23 | Op-25 | Op-26 | Stats | Com. Scouting | Com. Base | Shanghai Comm. |
| Civil Aero Auth | | Op-13 ✓ | Op-14 ✓ | | | | | | | | | | Returns to Room No. | | |

Report No. 42
Japan
12 March 1941

600 - Cities and Towns
603 - Coast Defenses
300 - Air Defenses

## JAPANESE VIEWS ON THE POSSIBILITY OF AIR RAIDS

At a round table conference held in Tokyo recently, representative Japanese naval aviators were questioned by newspapermen relative to the possibility of American air raids.

Replying to the question, "Do you think that Japan may be subjected to air raids ?", Commander Miura said, "I think she will perhaps be, to a certain extent. At least we must be prepared against such a contingency. How to minimize this possibility is, I think, a burning question just now."

A reporter remarked, "We laymen imagine that in case of air-raids, enemy planes will probably come fairly near to Japan by means of plane carriers, or over the Aleutian Chain". Commander Miura evaded a direct answer, observed, "Although I mention that Japan may be air-raided, there is no knowing what strategy the enemy will resort to in the event of war.

"The only thing we can do is to view matters placing ourselves in the enemy's position. If the enemy is as brave and dauntless as the Japanese and attempt to effect air-raids at the risk of their lives, there will, I think, be a possibility of their being able to realize their objective. I wonder, however, if the enemy have the courage to do so readily. We are making preparations to repulse any hostile planes. I cannot tell where we shall ambush them in that event."

An editor manifested his concern over the Aleutian route for aircraft, while Commander Miura sought to re-assure him. "I should think it is fairly difficult, if not absolutely impossible," he emphasized, "because of snow storms in winter and fogs in summer, and with the present efficiency of the planes. On the contrary, it is possible for Japan to attack enemy's cities by means of plane carriers, but in that case we must be prepared for their complete loss. It is very questionable, however, if air raids at such great cost on seaside cities are worth attempting."

Commander Yamashita interrupted the conversation, disclosing that, "The other day, Admiral Suyetsugu mentioned that the enemy would be unable to come over unless south of the Equator and that the possibility of enemy craft taking a course south of New Guinea and Australia to Singapore or the Philippines is the greatest. If the enemy takes this course, the P.I. is nearest to Japan, from where they may be able to extend their wings to our country. An attack from the North ? Well, this seems highly impracticable, but we must be always alert. It is unimaginable that plane carriers alone, without convoys (escort) will attempt to cross over the Pacific, so that they will conceivably plod along bases of operations, but at any rate, the people must be fully prepared against possible raids.

Another reporter posed the inquiry, "Do you mean to say that air raids by plane carriers are most likely ? " Commander Yamashita trenchantly retorted, "Only one or two plane carriers will be unable to cross the Pacific safely as long as the Japanese Navy exists, as the regions north of Inner South Sea belongs to us, so to speak. Unless the enemy are able to look

up the Japanese navy into, say, the Japan Sea (Inland Sea ?) they will be utterly unable to make their appearance hereabouts with safety."

Skipping lightly over generalities and vague pronouncements, we come to this gem of evasion. Editor: "Reverting to the subject of plane carriers, if any of them approach Japan it would be pretty hard to locate them, wouldn't it, Commander Inoue ?" Inoue's elusive revelation: "Being air-raided to a certain extent will be unavoidable. In order to defend this, it will be necessary to wipe out of existence the sources of hostile planes by either sinking plane-carriers or demolishing the bases of flying-boats, and at the same time to seize all strategic points which may serve as the stepping stones for enemy craft. If these measures are carried out completely, enemy planes will lose all means to approach Japan. However, this is far easier to speak of than to practice. The first thing we should do is I think to destroy the place of origin of enemy craft, and if we are not successful some of them will try to enter Japan, in which case we will down them before they do any mischief. Mr. Shimokawa and others will have to exert themselves in that event, but anti-air-craft fire, high angle guns, machine guns, etc., must also be mobilized in cooperation with our air forces. As it is clear that more or less bombs will be dropped by enemy planes meantime, we must take measures to minimize any possible damage. This is an important problem for the people to solve in connection with national air defense."

Confessing himself nonplussed, the Editor again queried, "In locating the place of origin of hostile planes, it would be very difficult to do so if it is made up of plane carriers operating in the Ocean ? " Commander Inoue parried the thrust and observed genially, "Untiring energy not to let pass undiscovered a single plane approaching Japan is essential, together with a large number of planes at our disposal for that purpose. The sooner we discover them, the better it is, of course."

Commander Miura chimed in, "You seem to be greatly concerned over carriers, Mr. Editor, but as most landplanes and flying boats have a flying radius several times larger than that of ship planes, even if carriers take action in neighboring waters, they easily come within the sphere of search of these planes."

* * * * * *

Deductions from the conference are:

1.) Japan would make an effort to bomb our air bases at Midway, Wake, Cavite, Olongapo to discourage concentrations being readied for possible attacks on her.

2.) Patrol planes will probably patrol offshore to a distance of not more than 300 miles.

3.) The Japanese are certain we will not raid from the direction of Alaska, and that they have no great fear of the Soviet.

4.) Air raids, like death and taxes, are a certainty in the event of a war.

N. M. I. 90—1941

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OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 48 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 24 March, 1941

Reference (Directive, correspondence, previous related report, etc. If applicable)

Source Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.)

Evaluation Unverified (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitle) (Make separate report for each title)

Basic.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## NOTES ON NAVAL SUBJECTS

Miscellaneous notes on naS subjects.

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Report No. 48
Japan
24 March 1941

NOTES ON NAVAL SUBJECTS

1. (100-200) Possibilities and probabilities in the event of an American Japanese rupture form the subject of a series of articles in a recent edition of the Tairiku Shimpo, a Shanghai publication, by well known retired naval officers.

Rear Admiral Kunishige Taketami in one of these articles declares that the construction of bases in the western Pacific by the United States and the possibility of the use by the United States of British bases is worthy of Japan's serious attention. He continues as follows:

> "In other words, what is America going to do with her fleet at present stationed at Hawaii ? Should America and Britain mean to block Japan's construction of the Greater East Asia Co-prosperity Sphere at the point of the bayonet, then Japan would certainly rise up in arms.
>
> "Owing to a paucity of natural resources and an increasing population, Japan is destined to expand toward the south, if it is to survive. If life should be denied both in front and in the rear, there is no alternative but for the entire nation to rise in arms at the stake of everything. And the geographical advantages promise a victory for Japan.
>
> "Japan is consolidating the structure to advance southward. This is a natural force, or rather a force of necessity. No force can check it!"

Rear Admiral Tanetsugu Sosa, (Ret.), Japan's so-called Hector Bywater, in a similar article considers that upon the outbreak of war between the United States and Japan severe naval action would occur for a period of time, culminating in Japanese attacks on the Philippines, Hawaii, San Francisco, and Panama. The war would then become an endurance contest with the fighting spirit of the people and their ability to withstand the ordeal being the decisive factors in favor of the Japanese. He then describes the effect of the war upon the United States:

> "As a result of this war, America will be isolated and thrown into an economic depression of the gravest nature with excess production. There will be a sea of unemployment and social unrest in the United States, especially since America is a conglomeration of various races. Herein lies the weakness of the United States. This will lead to an economic advance of Germany to Latin America which will finally be separated from the United States.
>
> "In the meantime, Japan will establish the Greater East Asia Co-prosperity Sphere and will at the same time capture the various naval bases of the United States in the Western Pacific. Manila and Burma will become independent and will be members of the Co-prosperity family. On the other hand, the German and Italian fleets will appear on the Indian Ocean and attach Singapore in concert with Japanese fleet. The military and economic co-operation thus established between the Axis Powers will

ultimately lead to acceleration of the new world order. And America will follow a path of decline. Only then can a solidarity of humanity be realized."

2. (900-903) Admiral Osami Nagano, member of the Supreme War Council has been appointed chairman of the organizing committee for the Spring Festival at Yasukuni Shrine from 23 to 28 April during which about 15,000 war dead will be enshrined.

3. (900-903) Captain Shinosuke Muneyuki, Lieut.Comdr. Hikaru Mano and Lieut. Masaichi Okuyama were killed in the northern part of Formosa on 1 March when a Naval plane in which they were riding met with an accident. All three of the officers received posthumous promotions.

4. According to a report received from the American Consul in Kobe, the Italian escort vessel ERITREA (2,172 tons), entered that port on 23 March after an apparently long and arduous cruise.

5. It is rumored in Tokyo that several of the German merchant vessels including the SCHARNHORST which have been interned in Kobe will be acquired by the Japanese and operated by them.

6. The Navy Minister, Admiral Koshiro Oikawa left Tokyo on 21 March to attend the graduation exercises at the Naval Academy and the Submarine School on 25 March.

7. Vice Admiral Baron Toshiatsu Sakamoto (Ret.) died in Tokyo on 17 March at the age of 83 years. He had been a member of the House of Peers for many years.

8. The Captain of the ZUISHIN MARU, a small fishing boat of 19 tons, upon his arrival in Takao on 10 March, claimed that while near Luzon on 28 February his ship became the target of a bombing attack by a large four-motored monoplane, nationality unknown. One bomb was dropped by the plane which fell into the sea about twenty yards astern of his craft.

After dropping the bomb the Captain stated that the plane made off in the direction of Luzon.

The Yomiuri, in which this report appeared, reminds its readers that a similar attack on a Japanese ship occurred in Philippine waters last autumn.

9. The following items concerning the United States' preparations for defense have received publicity in the Japanese press recently:

1) The debate on and passage of the Lease-Lend Bill has been widely reported down to its last detail and subsequent to its becoming law editorial comment has been to the effect that the United States is now an active partner of Britain.

2) The President's proposed establishment of a supreme labor mediation board in an effort to increase production of war materials.

3) The approval by the Senate and the House of the $3,446,000,000 naval appropriation bill.

4) The navy's proposed training of 25,000 men as reserve aviators.

5) The visits of American men-of-war to Auckland and Sydney. There has been little or no editorial comment in reference to these visits.

N. N. I. 90—1940

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**NAVY DEPARTMENT**

# INTELLIGENCE REPORT

Serial No. 50
(Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. .....
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 5 April, 1941

Reference ..... (Directive, correspondence, previous related report, etc. if applicable)

Source Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation ..... (As reliable, doubtful, unverified, etc.)

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## NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects pertaining to the navy.

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Report No. 50
Japan
5 April 1941

NOTES ON NAVAL SUBJECTS

1.(900-903) Captain Kozo Suzukida, Commandant of the Ryojun Minor Naval Station died of an illness on 25 March at Ryojun.

2.(900-903) Vice Admiral Otojiro Ito, (Ret) died of apoplexy in Tokyo on 27 March at the age of 75 years. Until his death Admiral Ito had been connected with the Harima Dockyard and Kobe Steel Works.

3.(900-903) Vice Admiral Rinroku Eguchi (Ret.) who participated in the battle of Tsushima Strait, died in Tokyo of pneumonia at the age of 76 years on 19 March.

4.(900-903) Of the 14,976 soldiers and sailors who are to be enshrined at Yasukuni Shrine during the period 23-28 April, 285 are naval officers and men. Naval officers who were mentioned by name in the press were Lieutenant Commander Tadahiko Harada and Lieutenant Commander Isao Nakamura,- both of whom were shot down by Chinese planes in October, 1938, during Japanese air raids over Hunan Province.

5.(900-901-100) A new Naval Personnel Office was opened in Akita, Akita Prefecture, on 1 April. Captain Zenjiro Shibata has been appointed as its Director.

6.(900-903-200) The graduation exercises at the Naval Academy and the Submarine School were held on 26 March in the presence of H.I.H. Prince Asaakira Kuni, and the Navy Minister Admiral Oikawa. Six graduates of the Naval Academy including Suzumu Yamada, who was the honor graduate, and 11 graduates of the Submarine School received Imperial gifts.

Graduation exercises at the Naval Paymasters School and the Naval Engineering Academy were also held on 26 March in the presence of H.I.H. Fleet Admiral Prince Fushimi and Admiral Zengo Yoshida respectively.

7. According to a Domei despatch from Buenos Aires, Commander Jose del Porto has been appointed naval attache to the Argentine Embassy in Tokyo. This is the first instance of an Argentine naval officer being assigned as naval attache in Japan.

8. Commenting on President Roosevelt's speech of 15 March in the Diet on 22 March, War Vice Minister Lieutenant General Korechika Anami declared as follows:

> "Whatever, President Roosevelt may say, Japan is proceeding with the settlement of the China affair under the firm conviction that we are not an aggressive nation, and we will not blench before any foreign threat.
>
> "That Japan will repel peremptorily all countries which try to help the Chiang Kai-shek regime, whoever they may be or whatever the measures resorted, is the fixed policy of Japan. Whatever President Roosevelt may say, Japan is now proceeding with the settlement of the China affair under the

banner of a crusade and under the firm conviction that we are not an aggressive nation, and we will not blench before any foreign threat. Whatever they say is the mere howling of a dog, and the Japanese people need not fluctuate between exultation and grief over what they say. All what should be done is to carry out the policy of the Empire."

On the same day Rear Admiral Takazumi Oka, Chief of the Bureau of Military Affairs of the Navy Ministry replied to interpellations concerning the fortifying of Pacific naval bases by the United States with the following statement:

"In view of the growing tension, in international relations, such as the China affair, the Thai-French Indo-China border dispute, and the reported Anglo-American joint defense of Singapore and the alleged agreement for joint defense of the countries in the South Seas regions between the countries concerned, it is liable for all countries to engage in feverish war preparations.

"As a matter of fact, they are expanding armaments. However, taking into consideration all possibilities, the navy is taking all necessary and adequate defensive measures to cope with any situation, and, for this reason, I hope that you will not worry yourselves on seeing only a portion of what is going on. While Japan has not invoked belligerent's rights in the Sino-Japanese conflict, by firming up the sea blockade Japan is obtaining the same results as though she had invoked belligerent's rights."

9. The following items concerning defense preparations by the United States have received press publicity recently:

1.) Approval by the President of the $7,000,000,000 appropriation bill to finance the "aid to Democracies" program.
2.) The intention of the U.S.Army to establish air bases in Alaska on Annette Island and on the Yakutat River.
3.) The awarding of contracts for construction of naval bases and air stations in Trinidad, British Guiana and Newfoundland.
4.) Strike disorders in plants throughout the nation which are hampering the national defense program.
5.) Seizure of German, Italian, and Danish merchant ships in U.S. harbors by government authority.
6.) Colonel Lindbergh's article in "Colliers" in which he is quoted as saying that the United States is entirely unprepared for war.

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# INTELLIGENCE REPORT

Serial No. 55 (Start new series each year, i. e. 1-41, 2-41)

Monograph Index Guide No. 103-100 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 16 April, 1941

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Official (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan Political - International Relations - Agreements (Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

Remr.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## JAPAN/SOVIET NEUTRALITY PACT

Japan and the Soviet Union have agreed to respect each others territorial integrity and that of Manchukuo and Mongolia, and each has agreed to remain neutral if the other becomes an object for military action by a third power.

The advantages to both Japan and the Soviet Union are obvious. Japan can use the forces now in Manchukuo for operations in China or Southeast Asia, and Russia can devote her entire attention to European problems. Whether the Soviet Union has abandoned her policy of aiding China is not clear.

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U. S. GOVERNMENT PRINTING OFFICE 16—18406

Report No. 55
Japan
16 April 1941

100 - Political
103 - International Relations
100 - Agreements.

## JAPAN-SOVIET NEUTRALITY PACT

The published text of the Japan-Soviet Neutrality Pact which was signed in Moscow on 13 April 1941 by Foreign Minister Yosuke Matsuoka and Lt.General Yoshitsugu Tatekawa acting for Japan and Commissar for Foreign Affairs Viacheslar Molotov acting for the Soviet Union is as follows:

"The Japanese Empire and the Union of Soviet Socialist Republics promoted by their desire of strengthening the peaceful and friendly relations subsisting between the two countries have decided to conclude a Pact of Neutrality and have mutually agreed as follows:

Article 1 - The two High Contracting Parties agree to maintain peaceful and friendly relations between them and to respect each other's territorial integrity and inviolability.

Article 2 - In case either of the High Contracting Parties becomes an object of military action by one or more third Powers, the other Party shall observe neutrality throughout the entire period of such a conflict.

Article 3 - The present Pact shall be enforced from the day of the completion of its ratifications by both High Contracting Parties and it shall be valid for the period of five years. In case either one of the High Contracting Parties does not make notice of its abrogation a year before the expiration of the said period, the Pact shall be regarded as having automatically been prolonged for the next five years.

Article 4 - The present Pact shall be ratified as soon as possible. An exchange of ratifications shall take place in Tokyo as soon as possible.

Simultaneously with the signature of the Pact the Governments of Japan and the Soviet Union issued a Joint Declaration to the following effect:

The Government of the Japanese Empire and the Government of the Union of Soviet Socialist Republics in order to assure the peaceful and friendly relations subsisting between them on the basis of the spirit of the Neutrality Pact concluded between the two countries, respect, on the part of the Japanese Empire the territorial integrity and inviolability of the People's Republic of Mongolia, and on the part of the Union of Soviet Socialist Republics the territorial integrity and inviolability of the Empire of Manchukuo."

It is not known whether there are any unpublished clauses or secret understandings in connection with this treaty, but in view of the circumstances under which the treaty was signed, it appears unlikely that there are.

On the same day that the treaty was signed, the Prime Minister, Prince Konoye issued the following statement:

13762-H(0-12-C)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

MAY 17 1941

# INTELLIGENCE REPORT

Serial No. 61 (Start new series each year, i. e. 1-41, 2-41)

Monograph Index Guide No. ..... (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each major title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 25 April, 1941

Reference ..... (Directive, correspondence, previous related report, etc. if applicable)

Source Various (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basis.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

[redacted] [redacted]

## NOTES ON NAVAL SUBJECTS

Miscellaneous items on subjects pertaining to the navy.

89

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OSD letter, May 3, 1972
By RT, NARS Date MAY 21 1973

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U. S. GOVERNMENT PRINTING OFFICE 16—15402

Report No. 61
Japan
25 April 1941

[redacted]

NOTES ON NAVAL SUBJECTS

1. (200-201-400) The following appeared recently in the Rikugun Gahe, a semi-official magazine supported by the Japanese Army:

"For more than 10 years many Americans have been of the opinion that the question of Japanese in Hawaii was of a grave nature, and was a source of a great danger. Of the present Hawaiian population of around 320,000, about 160,000 are Japanese and 'second generation' Japanese; of 700 conscripts enlisted in December 1940, 70% were 'second generation' Japanese. These facts might well be causes of worry for the American authorities.

"From the American standpoint the most serious defect of Japanese immigrants is that they never forget that they are Japanese. They will not inter-marry with native girls, but send for 'picture brides'. Hawaiian-born Japanese will never become Americanized, since Japanese immigrants establish primary schools for their own children under the pretext of teaching them Buddhism, the Japanese language. The children never become familiar with democratic principles either. When the Hawaiian-born Japanese enter Army camps they are escorted by their friends and relatives carrying banners in Japanese fashion.

"The Japanese in Hawaii monopolize the cultivation of sugar-cane and fishery, and own several hundred fishing boats. Though they are called sampans, they are unlike the small sampans which go up and down Chinese creeks, but are modern speed-boats equipped with diesel engines. Moreover, their captains are all able retired Japanese naval personnel,- a fact most disliked by the American authorities. Their fishing trips in and around the Hawaiian Islands have made them quite familiar with the most complicated channels - they can be powerful Fifth Columnists in an emergency - they and their efficient speed-boats.

"On the surface, however, peace prevails in the islands. Though both Army and Navy do not permit civilians to enter fortress and the naval port, even foreigners are freely admitted to points nearby. For instance, one can look at naval ships from a low hill in the vicinity of Pearl Harbor, or one can motor through army camp grounds. These are facts quite inconceivable to Japanese . . . . "

2. (500-505-500) According to a report received from the American Consul in Kobe, quite a number of Japanese merchant ships arriving in that port are being delayed in their departure by an unusually long period. He advances the theory that these vessels are being moved to Ujina, near Hiroshima, and are there being equipped with gun mountings. Names of such vessels were not mentioned but they will be reported if and when ascertained.

3. (500-505-600) The KASUGA MARU (17,000 tons), sister ship of the NITTA MARU and KAWATA MARU, which is now under construction at the Mitsubishi plant in Nagasaki, is being converted to an aircraft carrier according to reports. The ship is almost completed and the fact that it has a flight deck is unmistakable. This flight deck is almost half finished. It has also been learned that the N.Y.K.'s 27,000 ton IZUMO MARU



[redacted]

and KASHIWARA MARU have been taken over by the Navy for the purpose of converting them into aircraft carriers. While these reports come from reliable sources they have not been verified.

4. (600-602-1600) In accordance with a recent decree by the Kobe port officials, it has become compulsory for all incoming or outgoing foreign vessels to engage Japanese pilots in that port. It is said that heretofore the only foreign vessels which engaged Japanese pilots in Kobe were vessels of the American President Line.

5. (600-602-1600) The reconstruction and expansion of Kobe harbor which will be accomplished under an eleven year plan at a cost of ¥26,650,000 was started on 1 April.

When the program is completed, the port will have accommodations for mooring more than sixty ocean-going vessels and a cargo handling capacity of 18 million tons per year or 6 million tons more than its present capacity.

6. (900-901-909) On 22 March 1941, an Imperial Decree was issued putting into effect Naval Ordinance #5 establishing certain regulations for submarine bases. The texts of the decree and of the regulations were secret.

7. (900-903) The following changes in duty of high ranking officers were announced by the Navy Ministry on 4 April:

Vice Admiral Teijiro Toyoda promoted to the rank of Admiral and placed on the retired list to assume the office of Commerce and Industry Minister.

Vice Admiral Jinichi Kusaka appointed to Superintendent of the Naval Academy.

Vice Admiral Yorio Sawamoto detached from Commander-in-Chief of the Japanese fleet in South China waters to the office of Navy Vice Minister.

Vice Admiral Masaichi Niimi appointed to Commander-in-Chief of the Japanese fleet in South China waters.

Rear Admiral Sakae Tokunaga appointed to Chief of the Education Bureau in the Navy Ministry.

Vice Admiral Masuzo Honda (SC) appointed to Superintendent of the Naval Paymaster's School relieving Vice Admiral Ryuichi Kanaya (SC) who was appointed to the Naval General Staff.

Captain Shinichi Torigoshi was appointed Director of the Naval Personnel Office in Osaka relieving Captain Tadasuke Hamanaka who was ordered to the Naval General Staff.

8. (900-903) On 9 April, H.I.H. Admiral of the Fleet, Prince Hiroyasu Fushimi was relieved from the post of Chief of the Naval General Staff. He was succeeded by Admiral Osami Nagano, member of the Supreme War Council.

Prince Fushimi will continue his duties as a member of the Supreme War Council.

9. (900-903) Rear Admiral Kimpei Teraoka was appointed as Chief Naval Advisor to the Nanking government on 12 April.

10. (900-903) H.I.H. Commander Prince Nobuhito Takamatsu was relieved of his duties as Gunnery Officer of the HIYEI and appointed as an instructor in the Yokosuka Naval Air Corps on 7 April.

11. (900-903) Vice Admiral Kikuo Matsumura (Ret.) formerly President of the Ishikawajima Shipbuilding Company died in Tokyo on 4 April.

12. (900-903) A joint funeral service for Lieutenant Shoichi Okada and 29 other naval officers and men who were killed in China was held at Yokosuka on 11 April.

13. (900-903-200) The headquarters of the Kaigun Kyokai (Naval Association) which has been under construction since June 1940, was recently completed at a cost of ¥125,000. The building is located near the Naval Museum at Harajuku, Shibuya-ku.

Admiral Prince Fushimi as President of the Association is expected to make it the liaison center of all naval and marine associations such as Marine Scouts, Seaman's Institute, etc.

14. (900-907-700) The destroyer ISOKAZE and several Japanese bombing planes are reported to have left Saigon on 4 April. Since that date there have been no reports of Japanese naval units in Southern Indo-China.

15. (900-907-900) According to press reports dated 25 March two torpedoes, one each from the HARUKAZE and HATAKAZE, have been lost in the Formosa Channel. The torpedoes are stamped with the name of the ship to which they belong.

16. (900-908-200) An American Army language officer recently reported that during a conversation with a Japanese naval officer in Aomori he was informed that a naval officer is attached to each major unit of the Japanese fishing fleet. These officers, it was stated, are for the purpose of obtaining hydrographic data as all of the larger fishing vessels are equipped with underwater sound devices.

17. (1000-10005-800) Lieutenant Manbei Shimokawa of the Yokosuka Naval Air Corps died in an airplane crash during a training flight at Yokosuka on 17 April.

18. The following information has been obtained concerning German merchantmen in Japan:

Present in Kobe: ANNALIESE ESSBERGER
BURGENLAND
ELSA ESSBERGER
SCHARNHORST
R.C. RICKMERS
KULMERLAND

In addition, the RAMESES has recently arrived in Kobe from Shanghai.

The ELBE and REGENSBURG left Yokohama on 8 and 10 April respectively but their destinations are not known.

The whereabouts of the FULDA, ODENWALD, and SAARLAND are not known.

The AUGSBURG is believed to have been renamed TEIRYU MARU and is now engaged in commerce between North China and Japan. It was last seen in Chingwangtao on 28 February.

19. It was recently reported to the American Consul in Yokohama that certain Japanese lighthouses had not been functioning regularly. An inquiry by the Embassy to the Lighthouse Bureau elicited the reply that the lights in question had never ceased functioning regularly. It is believed that recent air raid drills in various parts of the country may have included the temporary discontinuance of navigational lights.

20. A typical Japanese comment on our "Two Ocean Navy" plan is as follows:

> "America wants to build a two-ocean Navy because she seeks to offer positive interference with Far Eastern and European affairs, contrary to the provisions of the Monroe Doctrine, for no country has any aggressive designs on America. In the existing circumstances, even naval operations in the Atlantic are not a matter of imperative necessity. As regards naval operations in the Pacific, Americans must be under the impression that their present naval strength is sufficient. This is especially so, if, as rumoured, Britain will transfer to America two or three of her newest battleships of the KING GEORGE V class in exchange for American destroyers and other warships. The ambition to build the biggest Navy of the world may underlie the insistent advocacy by the American naval authorities of increased construction, with undue emphasis of the need for the completion of a gigantic fleet for two-ocean operations. Even if such dual operations are impossible for America at the present time, it is well for Japan to bear in mind that America will soon be in a position to carry out operations in the Pacific."

21. The following items concerning U.S. defense measures have been given prominence in the press recently:

1.) The agreement between the U.S. government and the Danish Minister in Washington to place Greenland under the protection of the United States.
2.) The commissioning of the U.S.S. NORTH CAROLINA.
3.) The arrival of 2,000 American troops in Manila on the transport REPUBLIC on 22 April.

13762 H (O-2-c)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 65 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. ..... (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 26 May, 19 41

Reference ..... (Directive, correspondence, previous related report, etc. If applicable)

Source Mostly press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation ..... (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per Index guide) (Subtitles) (Make separate report for each title)

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## NOTES ON NAVAL SUBJECTS

Miscellaneous notes on subjects pertaining to the Navy.

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Report No. 65
Japan
26 May 1941

NOTES ON NAVAL SUBJECTS

1. (408-1000) According to press reports a "rich" new oil field was discovered at Umayose, near Niizu, Kabahara-gun, Niigata Prefecture on 8 May when a well which was being drilled by the Nippon Petroleum Company began to produce. It is estimated production from the well will be about 14,000 gallons per day.

2. (602-700) In Hydrographic Office Bulletin No. 16 published 26 April, 1941 the limits of Maizuru Naval Station harbor were changed as follows:

The former border line which connected the northern extremity of Kejima and Kurosaki has been abolished.

New harbor limits are inclosed by lines connecting the north-east extremity of Shiroyama, Takehama Harbor and the northern extremity of Kanmuri-jima thence to Kurosaki.

North-east extremity of Shiroyama - Lat. 35° 29'.6 N., Long. 135° 33'.3 E.

Northern extremity of Kanmuri-jima - Lat. 35° 41'.1 N., Long. 135° 25'.7 E.

Kurosaki - Lat. 35° 35'.8 N. Long. 135° 15'.4 E.

The entire sea area of Kunda Bay is to be reserved for seaplane operations.

3.(901-100) The Navy Ministry announced on 15 May that the Fifth and Sixth Sections had been added to the Bureau of Accounts which had previously consisted of four sections. It was further stated that the two new sections would engage in matters concerning the making of contracts.

Rear Admiral Taneo Morishima (SC) has been ordered to the Navy Ministry for duty as the Head of the newly established sections.

4.(903) Rear Admiral Kumeichi Hiraoka was appointed as Commander of the Japanese naval force in Shanghai on 11 May relieving Rear Admiral Jin Kobayashi who was ordered to the Naval General Staff.

Vice Admiral Taiji Ohta was appointed Director of Naval Liaison with the Nanking Government, succeeding Vice Admiral Shizue Tsuda, on 6 May. Admiral Tsuda's new assignment was not announced in the press.

Captain Kyoho Hamanaka was appointed as naval attache to the Japanese Legation in Mexico on 15 May, relieving Captain Katsuya Sato. This is Capatin Hamanaka's second tour of duty in Mexico.

Captain J. del Patro, naval attache to the Argentine Embassy in Japan, arrived in Tokyo on 15 May.

Captain Eizaburo Yamaguchi was appointed Chief of the Third Section in the Sasebo Naval Personnel Office on 15 May.

Captain Kanshiro Oishi was appointed Director of the Sapporo Naval Personnel Office on 15 May.

5.(903) Admiral Kiyoshi Hasegawa, Governor-General of Taiwan arrived in Tokyo on 14 May to confer with the Government on administrative matters for a period of about one month.

In an interview with the press upon his arrival Admiral Hasegawa commented as follows:

"It is commonly said that Taiwan is a stepping-stone for Japan's southward expansion, but I think it is the heart of Japan's southward activity. If the Japanese Empire wants to be active in the South, this heart must beat healthily.

"The geographical condition of Taiwan is all right for industrialization. The problem has passed the stage of discussion and entered that of practice. I want to talk over concrete matters on this point with the Government.

"The Association of the Service of the Royal Subjects, which was inaugurated on April 19 in accordance with the Imperial Rule Assistance movement in Japan Proper, is being extended briskly in the island. The populace of the island, which numbers more than 6,000,000 are closely unified. Much is expected to the future of the Association's movement.

"I have inspected the island thoroughly since my appointment to the present post. I felt happy to find a certain seriousness prevailing not only among the Japanese but also among the natives of the island.

"The Association of the Patriotic Youth's Service, which aims at training of the youth in the island, is also achieving good results. The realization of the system of volunteers on its basis is under consideration of the authorities of Taiwan.

"The production of fertilizer is promising in Taiwan. The harvest of rice this year in the island will be very successful, and it need not cause worry."

6. According to a report received from the American Consul in Kobe the following German and Italian vessels were in that port on 8 May:

| German | Italian |
|---|---|
| Scharnhorst | Cortelazzo |
| R.C.Rickmers | Coriguano |
| Winneton | Pietro Orseolo |
| Bergenland | Adda |
| Elsa Essberger | |
| Munsterland | |
| Anneliese Essberger | |
| Rameses | |
| Kulmerland | |

The Italian sloop Eritrea was also in Kobe on the above date and had apparently completed its overhaul.

7. Japanese salvage companies are making preparations to recover ten vessels which have been lying on the bottom of the sea along the French Indo-China coast for the past seven to ten years. Some of the vessels mentioned in the news report are an 8,000 ton steamer off HONGAY, one of 1,500 tons at the mouth of the Saigon River, two of 1,500 tons in KUANGCHOW Bay and an 1800 tonner off the SHINNAN Islands. It is planned to refloat some of them and put them into service while others will be broken apart under water.

Salvage work is at present being done on the Hatsuse (15,200 tons) and Yashima (12,500 tons), two Japanese warships which were sunk off the KWANTUNG Peninsula during the Russo-Japanese war.

8. Japan's first "Anti-Espionage Week" was observed from 12 to 17 May. In explaining the purport of the week to the people the Director of the Foreign Section of the Police Bureau stated:

"With international relations so complicated as they are at present and Japan's world position growing more and more important, secret maneuvers against Japan are becoming more and more intense. As we have no border across which foreign agents can steal into our territory unnoticed, the people have been quite nonchalant in regard to espionage but when the position of Japan in international affairs is considered, it will be clearly seen that spies are at work to unearth our country's vital secrets. The idea of fighting espionage must be fully propagandized and thoroughly put across during the week. The work of spies consists of intelligence-seeking, propaganda and conspiracy. All these must be fought with knowledge and intelligence by the people at large.

"Now, if war were merely a matter of battles on the field as in former days, there would be no secret so easily obtained among the people. But in a total war, with all the resources of the nation mobilized for warfare, various secrets are lying about. Economics, ideology and all other social factors are liable to yield vital information to the enemy. Counter-espionage in a state of general mobilization must be participated in by everybody, not only police and officials. What must especially be avoided is to do things which will enable spies to abuse whatever information they may obtain.

"Enemy countries are busy preparing radio programs, motion pictures and publications which will further their own interests in various ways. Against these we must be fully armed. Spreading of wild rumors is an instance of propaganda warfare. Not to be moved by such rumors but to have confidence in the Government in the consciousness of being a loyal subject is extremely important.

"Conspiracies to assassinate the Government leaders of the nation in question and setting fire to important buildings are some of the methods employed by fifth columnists. What I want to emphasize is that spies do not necessarily go about carrying reagents for developing code messages or worm into high society to entice general staff officers, as we see in the movies or read about in novels. Such secret activities are rather rare and are not the main work of spies. The big work which spies are doing is to gather information by legitimate means and to put together the various pieces to make definite enough pictures for the benefit of the intelligence department at home. So we must guard against giving away any information liable to be abused in this way."

Radio broadcasts and lectures throughout the country were made during the week in an effort to make the people definitely spy-conscious.

Another feature of the campaign was the issuance by the Information Bureau of 100,000 extra copies of their publication

"Weekly Graphic" in which the activities of the alleged British spy, Mr. V.O.W. Peters, who was taken into custody last summer, were prominently recorded.

9. The following items concerning United States' defense preparations have recently received publicity in the Japanese press:

1.) The arrival in Manila of the army transport WASHINGTON carrying 2,000 troops and an undisclosed number of planes.

2.) Alleged discussion by the War Department with the British Embassy of a plan to train 2,000 British airmen in the United States beginning in mid-summer.

3.) The speech made by Admiral Stark to the Latin American naval representatives in which he is quoted as saying the United States will do whatever is necessary to keep the war from the Western Hemisphere

4.) The shipbuilding strike in San Francisco which halted work on $300,000,000 worth of defense projects.

5.) Government plans to store at least a six months's reserve food supply in Hawaii, Philippines, Porto Rico and Alaska.

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ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

CONFIDENTIAL

# INTELLIGENCE REPORT

Serial No. 67 (Start new series each year, i. e. 1-41, 2-41)

Monograph Index Guide No. 500-505 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 2 June 19 41

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source American Consulate, Kobe (As official, personal observation, publications, press, conversation with—identify when possible) Evaluation Reliable (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Commercial (Main title as per index guide) - (Subtitles) Merchant Marine (Make separate report for each title)

BASIC.—(Here enter careful summary of report, containing substance succinctly stated; include important dates, names, places, data, etc. (DO or IR)

[redacted]

OSD letter, May 3, 1972
By KT, NARS Date MAY 21 1973

## RECENT SHIPPING CONDITIONS IN JAPAN

A confidential report on recent shipping conditions in Japan prepared by the American Consul in Kobe. It should be noted that:

1.) Government shipping control measures show a distinct possibility that a Ministry of Shipping will be established and that the N.Y.K. and O.S.K. will be combined after a dispute between Mr. Ohtani of N.Y.K. and Communications Minister Murata, representing O.S.K.

2.) Japan's commercial construction policy is directed to building vessels convertible into troop carriers or commerce raiders. Kokusai Kisen Kaisha and N.Y.K. possess vessels of this type. Commercial shipbuilding construction is falling far behind schedule, with the scrap iron and materials shortages important factors, although metals are being diverted to war industries. Building maintains a fairly sound character, with welding inferior to American. Ship repairs are being greatly skimped. Danish diesel engine technicians have arrived to assist the Tama Shipbuilding Company.

3.) Tonnage distribution tables are thoroughly unreliable for nearseas and laid up ships. The extreme ship shortage is accounted for by large scale war movements to Formosa and Hainan Island. Stevedore shortages are a barometer of loadings.

4.) Foreign shipping firms in Japan are practically idle, with many closing. Nickel and Lyons, Ltd., on Government pressure, was taken over for Japanese management. The American President Lines is the only American shipping company occupied.

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CONFIDENTIAL

Serial No. 67 Monograph Index Guide No. 800-806

From Naval Attaché at Tokyo Date 2 June 1941

/2/

5.) The British and Norwegian authorities unsuccessfully attempted to obtain the release for their use of seven Chinese registered and two Norwegian registered vessels.

[redacted]

Report No. 67
Japan
2 June 1941

500 - Commercial
505 - Merchant Marine

[redacted]

# RECENT SHIPPING CONDITIONS IN JAPAN
## As Reported by American Consulate, Kobe, 23 May, 1941

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OSD letter, May 3, 1972
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Report No. 67

[redacted]

Report No. 67
Japan
2 June 1941

500 - Commercial
505 - Merchant Marine

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# RECENT SHIPPING CONDITIONS IN JAPAN

## Summary


1. Government shipping control measures show a distinct possibility that a Ministry of Shipping will be established and that the N.Y.K. and O.S.K. will be combined after a dispute between Mr. Ohtani of N.Y.K. and Communications Minister Murata, representing O.S.K.

2. Japan's commercial construction policy is directed to building vessels convertible into troop carriers or commerce raiders. Kokusai Kisen Kaisha and N.Y.K. possess vessels of this type. Commercial shipbuilding construction is falling far behind schedule, with the scrap iron and materials shortages important factors, although metals are being diverted to war industries. Building maintains a fairly sound character, with welding inferior to American. Ship repairs are being greatly skimped. Danish diesel engine technicians have arrived to assist the Tama Shipbuilding Company.

3. Tonnage distribution tables are thoroughly unreliable for nearseas and laid up ships. The extreme ship shortage is accounted for by large scale war movements to Formosa and Hainan Island. Stevedore shortages are a barometer of loadings.

4. Foreign shipping firms in Japan are practically idle, with many closing. Nickel and Lyons, Ltd., on Government pressure, was taken over for Japanese management. The American President Lines is the only American shipping company occupied.

5. The British and Norwegian authorities unsuccessfully attempted to obtain the release for their use of seven Chinese registered and two Norwegian registered vessels.


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## Introduction

6. Recently a survey has been made of every foreign shipping source in the Kobe area friendly to the United States that could be approached with a view to obtaining the type of data regarding shipping conditions in Japan which could not be included in the general monthly shipping report prepared by this Consulate. The following report includes information given by some of the Consulate's informants, who in many cases are now preparing to leave or have already evacuated Japan. In deference to their wishes, specific sources are not named. It was felt necessary before such past useful contacts of this Consulate left the country that their confidential comments upon phases of Japanese shipping matters should be obtained and incorporated with those from sources at present remaining here. The following report is the result.

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## Government Control of Shipping

7. With the question of wartime control of shipping in Japan there comes the discussion of the advisability of forming an independent Ministry of Shipping. Several sources with good knowledge of the subject of Government control of shipping have maintained that in their view it is perhaps only a matter of time until such an agency is formed, although as one aptly put it, for all practical purposes the country already has one. This is certainly true when one considers the great powers of allocating vessels and of selecting cargo that the Communications Ministry possesses through its supervised agencies such as the Central Marine Transportation Control Association.

8. Hand in hand with the belief in the inevitability of even more centralized shipping control is the idea held by all the Consulate's sources that some form of closer working arrangement, if not consolidation, is in store for the Nippon Yusen Kaisha and the Osaka Shosen Kaisha. The question was briefly raised in the Imperial Diet. All agree that the former N.Y.K. president, Mr. Ohtani, would be opposed to such a scheme, since he is reliably reported to have stated to one source that, in his belief, any company units larger than the present ones would be unwieldy. All agree that there would be a conflict on this question between Mr. Ohtani and Communications Minister Shozo Murata, former O.S.K. president. The latter is characterized by one who has known him well for years as an aggressive type of the "Osaka business man". In Japan this connotes one who is thoroughly materialistic and self-seeking, as contrasted with the supposedly more altruistic type of Tokyo business figure. It is stated that Mr. Murata, being personally ambitious, would desire to supersede Mr. Ohtani, an older man, as the leading figure in Japanese shipping. The influence of standing and age is important in all walks of Japanese life and it is thought probable that Mr. Ohtani could buck temporarily what is admittedly the consolidation trend in Japanese shipping. Two sources with sound bases for this belief state that in the event Mr. Ohtani relinquishes his shipping connections the matter of N.Y.K. - O.S.K. consolidation would be a certainty. Then, instead of two steamship companies operating with smaller subsidies, there would be one large organization with an expanded Government subsidy.

Commercial Construction Policy

9. In the view of this Consulate's best qualified technical informant, Japanese commercial ship construction policy may be summed up briefly as being the building of intermediate cargo liners of about 12,000 gross tons, capable of speeds not less than 15 knots with some approaching 19 knots, and which in time of war could serve the double purpose of troop transports and of commerce raiders.

10. The types of vessels best illustrating the country's construction policy are the three or four Kokusai Kisen Kaisha boats of the Kinkai Maru class, which are claimed to be capable of an all out speed of 21 knots. The six A class ships possessed by the N.Y.K. are stated to have gun mounting positions in the holds and between decks, to have a service speed of 17 knots up to 19 knots, and to be intended definitely as commerce raiders.

Commercial Shipbuilding

11. All of the sources consulted possessing any knowledge of the progress of Japanese commercial shipbuilding agreed that the country is far behind in its construction program. One contact, whom the Consulate believes the most authoritative in this regard, stated his belief that Japan was fully two years behind schedule. The Consulate's Japanese construction figures, which were reported previously, show that in 1940 commercial construction dipped below 400,000 tons. The Consulate's last mentioned informant stated his firm view that the figure was as low as 360,000 tons. Every quarter approached agreed that in 1941 commercial construction is going still lower than last year. The Kawasaki and Mitsubishi shipbuilding yards at Kobe are offered as examples of this, with the rate of launchings being considered well below that of last year.

12. Meanwhile, commercial launching announcements are withheld, so that the Kasuga Maru (16,500 tons), the sister ship of the two N.Y. K. ships placed in service last year, the Nitta Maru and Yawata Maru, was reported as being quietly launched at Nagasaki this month and now in the process of being fitted out.

13. The N.Y.K. had announced with a fanfare of publicity at the beginning of this year that its two great 27,500 gross ton liners of about 650 feet length, the Kashiwara Maru and the Izumo Maru, would be launched this year. The Kashiwara Maru is being built at the Kawasaki Dockyard, Kobe, while its sister ship is being constructed at the Mitsubishi Yard in Nagasaki. However, their launchings are stated to be delayed, for it is most reliably affirmed that the vessels are being converted into auxiliary aircraft carriers.

The Scarcity of Shipbuilding Materials

14. Admittedly there is a scarcity of shipbuilding materials, most important being iron and steel. There is some debate whether the decline in shipbuilding comes from lack of material in the country or from the fact that it is being diverted into the manufacture of war materials. In the main, Kobe shipping circles agree that the diversion to other purposes is the main reason for the shortage. The fighting services

appear to decide this, and Mr. Hachisaburo Hirao, head of the Iron and Steel Control Association, is stated to have indirectly complained that "apart from the unsatisfactory distribution of iron and steel", steel materials have often been found concentrated in special quarters.

15. Scrap iron is needed for good quality shipbuilding steel in Japan, but the ratio of pig iron has had to be increased to such a high percentage that the quality, this office's sources agree, has suffered.

16. On the amount of scrap iron available in Japan since the United States' embargo there are conflicting reports, with two of the most reliable informants in disagreement. One does not hesitate to say that there is scrap iron for six months' production remaining before the pinch will be really felt. The second source referred to believes the situation at the moment is much more acute from the scrap iron shortage angle. Both contacts agree - and with good basis for their opinions in view of their technical capacities and wide Japanese sources of information - that capacities of steel mills which are making specified shipbuilding steel have been extended and that new ones have been started. Although reports differ on the amount of present activity in steel mills, it can be assumed on the basis of a compound of views that within several months the scrap iron shortage will have become very real, and, since large quantities are essential in Japan's manufacture, an actual iron and steel shortage, regardless of diversion to "special quarters", will be a reality.

17. A shipping source gave the illuminating story of recently being told by a shipyard owner that, at the time, the keels of two ships lay in his yard and that building had proceeded no further for several weeks because of his inability to secure additional materials, despite promises. Paint for the ships' bottoms likewise had not been obtained.

Technique and Repairs

18. In welding, one of the great new shipbuilding developments, Japanese technicians are emphatically reported to be far behind the United States. Technical sources consulted state that this is indisputable. An example of this is claimed to be a light Japanese naval ship, launched last year, which was welded at Kobe dockyard and was forced to lay up for extensive welding repairs on two separate occasions in connection with two trial runs.

19. General shipbuilding and engine construction is considered to be still maintaining its standards of good, plain, sound workmanship.

20. Repairs are now becoming quite a problem. Lloyds' Register of Shipping, which still surveys 1,500,000 tons of Japanese shipping despite the Japan Committee of Lloyds' Register being recently dissolved for nationalistic reasons, claims that in the tonnage surveyed they are forced to overlook many defects and skimpy repairs. Work is passed that could never qualify to standards outside of Japan, since decisions are now necessitated in Japan by the scarcity of repair materials.

21. At present Japanese shipping is considered to be "living on its fat", so to speak, since previous to the "Incident" Japanese ships were said to be laid up under Government orders for at least one ten day period a year for general repairs. This is considered to have been an extremely high period for repairs in contrast with the policy followed in other countries. However, as a result the ships were in tip-top condition. Now they are not able to get this attention, and vessels of about the fifteen year class are beginning to be seriously in need of extensive overhauling.

Foreign Technicians

22. Despite the adherence of Japan to the Tripartite Pact and the Axis Powers, in shipbuilding the country seems to be depending upon its own technicians. The only deviation from this rule of which the Consulate and its informants are aware appears to be the arrival three months ago of three technical experts from the firm Burmeister and Wain, Copenhagen, which concern manufactures high speed diesel engines. These men, claimed to be a Mr. Hansen, a Mr. Knudson and a Mr. Draminsky, are stated to have established an office in Kobe and to be assisting their company's sole Japanese licensee, Mitsui's Tama Shipbuilding Company.

Distribution of Tonnage

23. Every shipping source consulted states that the shortage of shipping in the nearseas area of Japan cannot be explained by the volume of cargos being carried. With ships withdrawn from overseas routes and concentrated in East Asia it is maintained that the reasons officially offered for the shortage are very thin. It can only be explained by what is realized to be extensive transports of troops and military equipment. Persons with sufficient background, when asked the destinations of such movements, expressed their belief that they were directed toward Formosa and Hainan Island, the impression being that Japan was building up great supplies at the latter place as a jumping off base southward.

24. Weak excuses for the shortage of shipping have been offered by the April issue of the Oriental Economist in the following terms:

> "Many are in drydock undergoing repairs, and others are moored for other needed attention, while still others have been badly damaged by marine accidents. The result has been that the idle tonnage is 761,000 tons greater than at the same time a year ago. This idle tonnage is partly attributed to the fact that shipowners prefer the prevailing comparatively slack season in which to effect needed repairs, but there is the suspicion that vessels in general have been subjected to unduly hard work during the summer months last year."

25. It should be noted that the materials shortage hardly gives any basis for the extensive ship repairs being done, as stated by the above journal. In addition, the factor of greatly increased "idle" tonnage is a definite indication the other way, since it is well known that outside of the tonnage figures published for overseas shipping (something which can be easily checked by an interested country) the other figures of laid up and nearseas shipping are absolutely unreliable.

Stevedoring

26. Foreign shipping sources determine the extent to which so-called secret shipments are being made from the Hanshin (Kobe - Osaka) area by using the supply of stevedores as a barometer. For example, the last few weeks a sizeable stevedore shortage has been reported, and the estimates are that the longshoremen have been busy loading in the port of Osaka, well inside the port and away from all foreign ships, which are stated always to be carefully kept well outside to avoid possible observation.

27. Great importance is attached by the Japanese authorities to having their stevedoring activities entirely free from any possible foreign supervision, so that pressure was brought to bear upon both Nickel and Lyons, Ltd. and Helm Brothers, Ltd. The latter firm is stated to be doing no business and now to have only Japanese upon its staff. Nickel and Lyons, Ltd., a British firm, in which for 12 years the Sumitomo interests have held 51 per cent of the stock, was completely reorganized at the end of April. It is now being administered under the management of Sumitomo Warehouse Company, Ltd., and is known by the name of Taisho Kaiso Kabushiki Kaisha (Taisho Transport Company, Ltd.). Needless to say, the original foreign members of the staff are not connected with the new concern.

28. Nickel and Lyons, Ltd. first experienced difficulties with the authorities when it was learned that the firm was supplying the British Consulate General at Kobe with vital information regarding the laid up German merchant vessels in Kobe harbor. Then with new Government regulations, the Sumitomo interests were forced to take over operating control of the business. It should be mentioned that until this time the Sumitomo interests had never attempted to interfere with the British management of the firm. Relations between the British shareholders and staff of Nickel and Lyons and the Sumitomo interests are stated by the most reliable sources to have been of the highest order.

Kobe Foreign Shipping Firms

29. With the trend of events Kobe foreign shipping concerns are in general experiencing a new low in the volume of business. Old established branch offices of British firms such as Jardine, Matheson and Company, Ltd., Mackinnon, Mackenzie and Company, (Japan), Ltd. are now closed. Dodwell and Company are doing a shipping business with the Near East by handling two vessels under the Egyptian flag that are loaded in Japan at very profitable rates. These ships are reported to be due again in Japan during June. Butterfield and Swire offices in Japan have received instructions to remain open "until the last", in view of the type of export business the company does from Japan, despite the absence of company ships. It is felt that Canadian Pacific Steamships will close their offices this summer, since they are absolutely idle. The Japan office of Lloyds' Register of Shipping is being left in Japanese hands. Aall and Company, handling Norwegian vessels, are absolutely idle.

30. The lone foreign shipbroker, Summers and Company, reports a similar condition in his field, not only for this firm, but for all Japanese brokers as well. This last condition is stated to be caused by the amount of Government regulation,

which has made it impossible for brokers to continue in business.

31. Of American shipping firms only the American President Lines continues active. The States Steamship Company and the Everett Steamship Corporation have not had any ships calling at Japan for at least two months and have no definite prospects in sight for June. The American President Lines, in addition to its own ships, is being kept occupied as agents for the Lykes Steamship Company. Three or four vessels of the latter company arrive in Japan each month loaded with lube oil (which was formerly delivered in steel drums and is now shipped in wooden barrels), petroleum, pitch coke, and small amounts of carbon black and cotton. Ships of the Waterman Steamship Company coming to Japan are handled by the Mitsubishi interests.

32. With reference to the shipments of oil in wooden barrels, instead of the former steel drums, it is of interest to note that oil seepage and loss have increased as a result of this means of shipment.

Dispute Concerning British and Norwegian Ships

33. For the past five months the British authorities are reported to have been negotiating with the Japanese Government with regard to two twenty year old Norwegian registered vessels, Venkoh (8,692 d.w.) and Shenghwa (8,381 d.w.) and seven stated Chinese registered ships of the old United States Shipping Board "Lock" class, such as the Munlock and Vitolock. The matter is said to have arisen originally through the Norwegian registered vessels arriving at Wakamatsu with scrap iron cargos and being held up by the Japanese authorities on the basis of question regarding registration. Several years ago, it is reported by those interested, a loan of a million yen was advanced by Norwegian interests upon three Japanese vessels, which were transferred to Norwegian registry. One ship has since sunk, but the loan is now stated to be redeemable by the original Japanese debtors, who badly need the ships. However, the Norwegian Shipping Control Commission, cooperating with the British authorities at London, has refused to release any Norwegian registered vessels for the duration of the war. The upshot has been that the Norwegian registered ships have been taken over by the Japanese, with the Norwegian officers ejected. The Shenghwa is reported to be in service at present, while the Venkoh is now in dock.

34. When the controversy arose as described above, the British Government likewise intervened in behalf of the seven Chinese registered "Lock" class ships, which were actually British owned. These ships had been taken over by the Japanese, who were operating them. The British proposal, which in the end proved fruitless, was that the Japanese Government, in the nature of a compromise, should release three "Lock" class ships and one Norwegian registered ship. Since the Japanese authorities were in possession of all the ships in the dispute, they refused.

. N. I. 86—1941

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 72
(Start new series each year, i. e. 1-40, 1-41)

Monograph Index Guide No. .....
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché at Tokyo Date 27 June 1941
(Ship, fleet, unit, district, office, station, or person)

Reference .....
(Directive, correspondence, previous related report, etc. If applicable)

Source Mostly press Evaluation EATING (B)
(As official, personal observation, publications, press, conversation with—identify when practicable, etc.) (A-reliable; B-usually reliable; C-fairly reliable, etc.)

Subject Japan
(Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

BASIS.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## NOTES ON NAVAL SUBJECTS

Miscellaneous notes on naval subjects.

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Distribution By Originating Office: ONI(10); CinoPAC(1); CinCAF(1); Com 16(2); AMA/Shanghai(1); M/A Tokyo (1); File (1)

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U. S. GOVERNMENT PRINTING OFFICE 16—12403

Report No. 72
Japan
27 June 1941

NOTES ON NAVAL SUBJECTS

1. (407) Arrangements are being made to stage large-scale trial diggings on the islands of the Inland Sea in search of tungsten and molybdenum. A nation-wide campaign for the salvage of scrap metal from factories and plants is being carried out at the present time. Optimistic authorities state that "if junk metal in factories, mines, power stations and other plants throughout the country is reclaimed, there is every reason for the country to be self-sufficient in metal vital to national defense production for years to come."

2. (505) About 12 of the larger cities of Japan are making preparations for establishing training stations for sea scouts, with the purpose of providing a source of personnel for the merchant marine and navy.

3. (903) Rear-Admiral Hisashi Kobayashi was appointed Chief of the Hydrographic Department of the Navy Dept. on 2 June 1941. His biographical sketch as reported in the press is as follows:

> " Rear-Admiral Kobayashi was born in Yonezawa in 1891 and was graduated from the Naval Academy in July, 1910. He was ordered to Britain in 1914. Following his graduation from the Naval Staff University, he was promoted to the rank of captain in 1929. Later he became an attache to the Nippon Embassy in Washington. After commanding the battleship Yamashiro in 1936, he was promoted to a rear-admiral in 1937. He was then made the chief-of-staff of the Sasebo naval base and later commander of the naval forces in the Shanghai district. In May this year he was attached to the Naval General Staff."

4. (907) In the evening of 22 June, the Assistant Naval Attaché observed a formation of 24 destroyers off the west coast of the island of Kyushu. They were in an approximate flotilla formation of two squadrons in line, but their station keeping was very poor. From observation of messages being sent by blinker tube, their speed of transmission of visual messages is quite slow.

5.(912-500) It is reported in the press that the AZUMA, an old cruiser of 8,640 tons which was built in France in 1901 and which has recently been moored at Maizuru for public inspection, will in future be used as a training ship for recruits of the Maizuru land corps.

6. The following article appeared in the Manchuria Daily News of 23 May 1941:

> " The standards of efficiency attained by Japanese warships are higher than those of foreign ones by more than 25 per cent, it was claimed by constructor Vice-Admiral Yuzuru Hiraga in discussing the traditions of the

Japanese Navy with a representative of the Asahi Shimtun chain of newspapers.

" Instancing the 7,000-ton cruiser Furutaka, Vice-Admiral Hiraga pointed out that the Furutaka is equipped with six 8-inch guns, while the 10,000-ton cruisers of the Myoko class are equipped with ten 8-inch guns, adding that 'armament of the Japanese war-ships on an average is more than 25 percent heavier than that of foreign ones.'

" Furthermore, the Japanese fighting vessels from battleships down to destroyers and submarines are far superior and far more well-balanced than the same categories of foreign navies, the Vice-Admiral claimed, although he said that he did not mean by 'superior' that displacement namely, tonnage, is larger.

" Stability and seaworthiness in oceanic operations are also claimed by Vice-Admiral Hiraga for the Japanese warships."

7. On the occasion of Navy Day, 27 May, Captain Hideo Hiraide, Naval spokesman for the Imperial General Headquarters broadcast a speech over radio station J[illegible]AK which received wide publicity in the press and contained several interesting points. After reviewing the Japanese Navy's history since the Russo-Japanese war, Captain Hiraide went on to say that U.S. participation in the European War is imminent because of the probability of our escorting convoys to Britain. In the event of U.S. entry into the war, Japan would be directly affected because of the Tripartite Treaty, but he did not specifically say that Japan would be obligated under that treaty to go to war with the United States. In the event of a U.S.-Japanese war, the U.S would resort only to guerrila tactics because of the distances involved. Such tactics, he went on to state, would not be as serious as similar operations in the Atlantic. Aside from the obligations of the Tripartite Pact, in the event of hostile nations bringing such economic pressure against Japan as to threaten her existence, she would be compelled to go to war in self-defense. Captain Hiraide concluded with the following remarks:

" The Imperial Japanese Navy is now operating on the Chinese coast with over 200 warships, both large and small, while with over 300 warships and naval bases necessary for them, the Navy is defending the western Pacific. The fortifications built on these naval bases are of such a nature as has never been seen in the history of Japan, and Japanese naval warplanes and warships are entrenching themselves in these bases to crush in a moment anyone who dares to challenge Japan.

" The Imperial Japanese Navy air forces are now nearing 4,000 planes with the close cooperation of the people, and quite apart from the air forces now engaged in the operations against the China of Chiang Kai-shek, they are now working out stratagems which will deal instantaneous death to any nation.

" Judging from the present international situation no one can assert that Japan will not enter into war, and full preparations are being made to cope with such an eventuality. Therefore, instead of being unnecessarily worried, the people should leave everything to competent authorities and do their share for the cause of the nation from each one's occupational field without allowing themselves to engage in useless arguments, so that they can courageously march on the road to pull through the present national crisis.

" The famous signal of the late Fleet Admiral Togo reading 'The rise or fall of the nation is staked on this battle, do your very best,' it appears to me, is again revived and is fluttering high in the sky of East Asia."

8. Japan's Navy Day, the 36th Anniversary of the Battle of Tsushima, was observed on 27 May by parades, commemorating ceremonies and speeches in the Tokyo-Kobe-Osaka area. Any ceremonies or events in the outlying districts were not reported in the press.

The general tenor of the speeches made by the various dignitaries, aside from Captain Hiraide's talk reported above, was to the effect that the Japanese Navy has a glorious tradition to uphold; that it is fast becoming invincible, but that the people of the nation must be willing to make any sacrifices necessary to bring it to the state of perfection essential to safeguard Japan's future. The only naval units reported taking part in the ceremonies consisted of a parade detachment of about 1,000 officers and men, from the Yokosuka Naval Base, who paraded in Tokyo, and a formation of navy planes which demonstrated bombing and combat tactics off the coast near Nagoya.

9. The Domei News Agency and the Navy Ministry collaborated in staging quite a large exhibit of naval subjects in one of the large department stores in Tokyo during the month of May. The exhibit was designed and advertised to warn Japanese against the U.S. offensive preparations against Japan in the Pacific.

10. The following article appeared in the Japan Times and Advertiser of 22 May:

" The latest situation in the South Sea islands was vividly told by Kiyoshi Okubo, captain of the Takachiho Maru of the Nanyo Boeki Steamship Company, which reached Yokohama Wednesday from the South Seas after an absence of approximately one year, says Domei. The Takachiho Maru is a 3,420-ton liner plying between Ponape, New Britain, New Guinea, Fiji Islands, New Caledonia and New Hebrides three times a year.

" Approximately 4,000 Australian troops are stationed at the port of Moresby, New Guinea, which was made a naval port two years ago. Air bases and fortifications have been constructed in the port," the captain stated.

" The Taiyo Mining Company under Japanese management in New Caledonia had to be closed due to prohibition of exports of nickel to Japan. On New Hebrides Islands we witnessed fortifications at two points, and some 3,000 Australian and New Zealand troops were stationed at the Fiji Islands, which may be interpreted as one phase of the Anti-Japanese feeling prevailing in the islands, he continued.

" The Tonga Island, which is otherwise called Friendly Island, is governed by a queen and is very friendly to the Japanese. The inhabitants there look very much like Japanese people. However, the island is now full of New Zealand troops who are engaged in the construction of a number of airfields. Defense works at Babaul, New Britain, are now being speeded up. Rabaul is known for its geographical propinquity to Japanese mandated territories in the South Seas, and it is said that there are already 30 fighting planes and about 100 military trucks in the island", Mr. Okubo concluded. "

11. The "Asahi", New York correspondent, on 24 June quotes Gen. Hugh Johnson as stating that U.S. naval vessels have already sunk German submarines, and that the transfer of the U.S. Fleet from the Pacific to the Atlantic is a preparation for the occupation of important bases such as Dakar. Reports in the U.S. press are also said to confirm actual convoy duty being carried out by U.S. naval vessels.

12. The newspaper "Asahi" of 25 June, reports that the U.S. has sent 120 pilots to Chungking in order ostensibly to help reconstruct the Chinese air force. The real purpose however, it is reported, is to establish an advanced base for American aviation in the event of hostilities between the U.S. and Japan.

13. The Kobe Chronicle of 28 May reported that plans are being drafted to test and index the blood type of all the residents of the city.



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# INTELLIGENCE REPORT

Serial 79-41 (Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 101-100 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 29 July 1941

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Press (As official, personal observation, publication, press, conversation with—identify when practicable, etc.) Evaluation (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) Political - National Government - Organization (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basic.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

## THIRD KONOYE CABINET

The Third Konoye Cabinet which was installed on 18 July appears to be a more unified and therefore stronger cabinet than the Second Konoye Cabinet. The major changes are the Foreign Minister and the Finance Minister.

It appears that there will be no drastic changes in either domestic or foreign policy for the present. Japan will probably follow an increasingly independent course in order to settle the China Incident and consolidate her position on the continentbefore the European war is ended. Her actions in Southeast Asia and against Soviet Russia will depend on developments in Europe.

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| Mess. | Cod. | T. & D. | C. & R. | Esp. | S. & L. | M. & E. | Aero. | U. S. M. C. | C. in C. U. S. | Comp. Bur. Per. | Comp. Bur. Per. | C. in C. A. F. | Com. Squad. | Com. Aircraft | F. L. T. U. |
| Attached to | | Op-10/11 | Op-12 | Op-13 | Op-14 | Op-20 | Op-21 | Op-22 | Op-23 | Op-24 | Op-25 | State | Com. Marines | Maritime Com. |
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U. S. GOVERNMENT PRINTING OFFICE 16—13488

Report No. 79-41
Japan
29 July 1941

100 - Political
101 - National Government
100 - Organization

## THIRD KONOYE CABINET

The Third Konoye Cabinet which was formally installed on 18 July is constituted as follows:

| | |
|---|---|
| PREMIER..... | *Prince Fumimaro Konoye |
| FOREIGN MINISTER..... | Admiral Teijiro Toyoda |
| OVERSEAS MINISTER..... | Admiral Toyoda (Concurrently) |
| HOME MINISTER..... | Harumichi Tanabe |
| FINANCE MINISTER..... | Masatsune Ogura |
| WAR MINISTER..... | *Lieut.-General Hideki Tojo |
| NAVY MINISTER..... | *Admiral Koshiro Oikawa |
| EDUCATION MINISTER..... | *Dr. Kunihiko Hashida |
| AGRICULTURE MINISTER..... | *Hiroya Ino |
| COMMERCE MINISTER..... | Vice-Admiral Seizo Sakonji |
| COMMUNICATIONS MINISTER..... | *Shozo Murata |
| RAILWAY MINISTER..... | Shozo Murata (Concurrently) |
| WELFARE MINISTER..... | Lieut-General Chikahiko Koizumi |
| JUSTICE MINISTER..... | Michiyo Iwamura |
| STATE MINISTER..... | Baron Kiichiro Hiranuma |
| STATE MINISTER..... | Lieut.-General Heisuke Yanagawa |
| STATE MINISTER AND GOVERNOR OF PLANNING BOARD..... | *Lieut-General Sadaichi Suzuki |

Chief Secretary of Cabinet.. .*Kenji Tomita
Chief of Legislation Bureau...*Naokei Murase
President of Board of Information.....*Dr. Nobumi Ito

(* Represents men reappointed to hold the same office in the Third Konoye Ministry as in the preceding Second Konoye Cabinet)

It is considered that this Cabinet is a more unified and therefore stronger cabinet than the Second Konoye Cabinet.

The domestic and foreign policies of the new government are not yet clear but at the present time it appears that there will

be no drastic change in either.

In domestic affairs the economic and financial policies of Second Konoye Cabinet will no doubt be continued, with increased and intensified government control of trade, industry and agriculture - in short, in all phases of the nation's economic life.

In foreign affairs, it is expected that Japan will follow an increasingly independent course in order to settle the China Incident and consolidate her position on the continent before the European war is ended. While it is unlikely that she will break openly with Berlin and Rome, her policies will probably be independent of the Axis powers, since she has learned that they are not to be trusted. At the same time her actions against Soviet Russia and Southeast Asia will depend on developments in Europe. If suitable opportunities come, and if gains either north or south can be made without too great a risk of becoming involved in a war with a major power, Japan will take immediate advantage of her opportunities. The Japanese Army is now making extensive preparations - by mobilizing an estimated 750,000 men - to be ready for just such opportunities.

N. M. I. 20-1202

13362-H(0-12-C)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 80-41 (Start new series each year, i. e. 1-40, 2-42)

Monograph Index Guide No. (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 29 July 19 41

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Various, mostly press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation RATING B (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basis.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

[redacted]

[redacted]

NOTES ON NAVAL SUBJECTS

Miscellaneous notes on naval subjects.

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| Op-16 | Op-16-1 | A-B-C-D-E-F-I-Z P-1, P-2, P-3, P-4, P-5, P-6, P-7, P-8, P-3, P-4, P-5 | Mil. Intel. | Naval Attaché ✓ | Budget | Com'l Intel. | Nav. Plans Off. Intel. | War College | Nav. L. O. | N. G. |
|---|---|---|---|---|---|---|---|---|---|---|
| Mar. | Cst. | Y. & D. | Supt. Nav. Pers. | Sup. | S. & A. | M. & S. | Aero. | U. S. M. C. | C. in C. U. S. | Com. Sou. Fron. | Com. Sou. Fron. | C. in C. A. F. | Com. Eastern | Com. Asiatic | F. A. T. U. |
| Attached at | | Op-20/11 | Op-12 ✓ | Op-13 | Op-14 | Op-20 | Op-21 | Op-22 ✓ | Op-23 | Op-30 | Op-31 | Radio | Com. Scouting | Maritime Com. |
| Chf Aero Instl | | | | | | | | | | | | Returns to Room No. | | |

U. S. GOVERNMENT PRINTING OFFICE 16—15488

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Report No. 80-41
Japan
29 July 1941

[redacted]

NOTES ON NAVAL SUBJECTS

1. (900-918) During the period 1-6 July, a considerable portion of the Combined Fleet was anchored in the Yokosuka/Yokohama area for leave and recreation. Although not possible to definitely identify all of the ships because of the restrictions placed by the gendarmerie on foreigners approaching any point from which a fairly effective view of Yokosuka might be had, it is certain that at least the following types and numbers were present.

| | |
|---|---|
| Battleships: | ISE, HYUGA, 1 FUSO and 2 unidentified. |
| Carriers: | Two unidentified. |
| Heavy Cruisers: | 3 KAKO, 3 YOGAMI |
| Light Cruisers: | 1 KINTSU, 2 NATORI, 7 KUMA |
| Destroyers: | 8 SHIGURE, 10 ARAGIRI, 4 unidentified |
| Submarines: | 4 KAIGUN type, 1 oceangoing type. |
| Tankers: | SHIRIYA and NARUTO |
| Tenders: | Two unidentified |
| Training ship: | KASHIMA |

An unconfirmed report added two carriers and 16 light craft (cruisers and destroyers) present at Yokosuka. Of the three KAKO class cruisers, one was observed to have had her mainmast and plane handling boom shifted to a position just forward of No. 3 turret, and abaft the catapult, presumably to obviate interference of the mast structure with visibility from the after fire control station or to facilitate the handling of planes. Her after stack was considerably smaller than that of the other two ships. The captain of an American freighter in port at the time said that he had observed a ship corresponding to this altered KAKO class cruiser entering and leaving Yokosuka on what were apparently post-repair trials, which would indicate the probability that two of this class have had some major engineering alterations performed. During the time that the ships were in port, the naval authorities went to unusual lengths to see that the personnel enjoyed themselves. Bars and houses of prostitution were ordered to open earlier than their legal hours, and beer was sold at half of its usual retail price. The naval authorities granted special liberty freely, and gave the men one month's pay in advance. It was noted that of the ships at Yokohama, about 50 percent had de-gaussing coils fitted on the outboard side of the hull plates. Fairly reliable sources state that all of their destroyers have been de-gaussed, the work being done at civilian as well as navy yards. On leaving this area on the evening of the 6th of July, the same source reported that the Combined Fleet would operate in the Ariake Bay area, and visit Beppu and Kure. Grand maneuvers were scheduled for the month of August, during which torpedo attacks on capital ships by light forces and aircraft would be stressed, and fuel economy emphasized. On getting underway from the Yokohama area, the ships apparently did not follow any sortie plan, but moved out in order of convenience. All the destroyers observed had protective shields built over the upper sides of their torpedo tube mounts, similar in appearance to a low turret. A report was received to the effect that all destroyers in the Japanese navy have been so equipped, and that the shields are of high tensile steel designed to withstand machine-gun bullets.



[redacted]

2. (802-1000) The Captain of an American freighter which recently delivered 10,000 tons of gasoline (in drums) to the Japanese at Itozaki, on the north coast of the Inland Sea about 40 miles east of Kure, stated that he observed the Japanese storing it in small ravines and clefts in the hills on several of the small islands at the entrance to Itozaki. The storage appeared to be permanent, in that the successive layers of drums were well shored up and the tops of the individual deposits were camouflaged. Gasoline from other ships present was being similarly stowed. Unfortunately he did not know the names of the islands concerned.

3. (1202-2031) The large ship which was built at the Mitsubishi Yard in Nagasaki and reported as possibly being an aircraft carrier during the early stages of its construction was seen by the Assistant Naval Attache after it was launched and before being towed away for fitting out. It appears to be a large cruiser of around 15,000 tons with one large smack with considerable rake aft. The bridge structure was about 60 percent completed and sheds were built over the forward and after barbette locations. The length was about 700 feet; main deck was flush with considerable sheer forward. Screens were hung over the bow for a distance of about 80 feet from the stern and work barges were alongside.

4. (1202-150) The KASHIWARA MARU which was also built at Nagasaki has been reported from several sources as having definitely been converted to a carrier, although a good description of her is not available.

5. (800) Changes in Officer Personnel. The following changes in officer personnel were announced in the Japanese press:

Vice Admiral Boshiro Hosogaya, Commander-in-Chief of the Fleet in Central China Waters was relieved by Vice-Admiral Marquis Teruhisa Komatsu, formerly Commander of the Port Arthur Naval Station. Admiral Hosogaya proceeded to Tokyo and made a report to the Throne on the activities of his former command. His next assignment has not been announced. A press biography of Admiral Komatsu reads:

> "Vice-Admiral Komatsu is now 54, and became a 3rd lieutenant in 1910. He was graduated from the Naval Staff University in 1922, after which he was appointed staff officer of the second torpedo battle unit, then an officer of the Naval General Staff, and instructor of the Naval Staff University, respectively.
>
> "After commanding the warships, Jingei and Nachi, he became commander of the first submarine unit in 1936. Then he followed duties as head instructor of the Naval Staff University and member of the naval technical commission at the same time, and later as member of the board of naval construction's technical commission.
>
> "Toward the end of last year, he was promoted to the rank of vice-admiral. It may be added that Marquis Komatsu had assumed the status of a subject from his previous Imperial rank of H.I.H. Prince Kitashirakawa in 1910."

Vice Admiral Hidehiko Ukita was ordered to command the Naval Station at Port Arthur. He was born in Tokyo and

graduated from the Naval Academy in 1909. Previous assignments have included command of a submarine flotilla, command of the KIYKO and Director of the Submarine School. He has recently been Chief of the Bureau of Naval Construction.

Vice-Admiral Mitsuyoshi Shimizu, Commander-in-Chief of the Fleet in North China Waters has been relieved by Vice-Admiral Nokuzo Sugiyama. Admiral Shimizu has been assigned to the Naval General Staff. Admiral Sugiyama is 50 years old, and graduated from the Naval Academy in 1910. He was made a Vice-Admiral last year. His previous assignments include:

Member of the Naval Affairs Bureau
Command of the HYUGA, Chief of Staff of the China Fleet under Admiral Hasegawa
Command of a Squadron (name not given), and
President of a School (name not given)

Lieutenant Commander Takeshi Fukuoka relieved Commander Ichiki as Assistant to the Naval Officer stationed at Mukden.

6. (903-200) Extracts from the Official Gazette:

The Official Gazette of 27 June carried an announcement that new revisions of the Fleet Regulations have been placed in effect. The July 2nd issue carried the following:

By the Imperial Ordinance No. 733 dated July 1, 1941, Higher Naval College Regulations were so revised that Engineer Students of the College may be appointed from among Lieutenant Commander of the Engineer Branch, in addition to Lieutenants and Lieutenants J.G. of the said Branch.

The revision is to remain effective for the time being.

7.(901-300) The Gazette of 7 July carried the following two notices:

By Military Order No. 13 dated July 5, 1941, Article 7 of the Naval Station Regulations was revised as follows:

Article 7: The Commander-in-Chief shall be authorized to take command of fleets and vessels under junior commanders or Governmental offices which are not under his jurisdiction but are situated at the Naval Station, regarding defense and maintenance of order in districts under his jurisdiction, or important matters, in the execution of which unity is required. In assuming the command, however, the Commander-in-Chief shall not interfere with principal duties of the said fleets and vessels, or of the Governmental offices. This restriction shall not apply when there are urgent necessities at respective naval ports.

(Underlined part has been inserted)

By Military Order No. 14, dated July 5, 1941, Article 12, Paragraph 1 of the Minor Naval Station Regulations was revised as follows:

Article 12, Paragraph 1: The Commandant shall be authorized to take command of fleets and vessels under junior commanders on duty at minor naval stations, in connection with the defense and maintenance of order in districts under his jurisdiction,

[redacted] and in important matters in the execution of which unity is required.
In assuming the command, however, the Commandant shall not interfere with principal duties of the said fleets and vessels. This qualification shall not apply when there is an urgent necessity at the Minor Naval Port.
(Underlined parts show revision; original text read: "However, with the exception of an urgent necessity, the Commandant shall not interfere with principal duties of the fleets and vessels.")

3. (903-2C0) Schools: The following items concerning training have appeared in the press during the past month:
The Tateyama Naval Gunnery School has been established at Awa-gun, Chiba Prefecture.
On July 5, 3 officers and 68 petty officers and non-rated men graduated with honors from various Naval schools.

Yokosuka Naval Station:
Rigger students - Lieutenant j.g.(Eng.) 2, Ensign (Eng.) 1.

Special students - Aviation Training Students:
Flying Petty Officer, 1st class 2
Flying Seaman, 3rd class 1

Advanced Class Aviation Arm Training Students:
Rigger Petty Officer, 2nd class 2
" " " 3rd " 5

Advanced Class Rigger Training Students:
Rigger Petty Officer, 2nd class 4
" " " 3rd class 3
Petty Officer, 3rd class 1

Torpedo School:
Advanced Class Torpedo Training Students:
Petty Officer, 2nd class 5
" " 3rd " 3

Gunnery School:
Special students - Gunnery Training Students:
Petty Officer, 1st class 2

Advanced Class Gunnery Training Students:
Petty Officer, 1st class 1
" " 2nd class 6
" " 3rd class 5

Advanced Class Range-finding Training Students:
Petty Officer, 2nd class 2
Petty Officer, 3rd class 2

Navigation School:
Seamanship Training Students - Steering Class:
Petty Officer, 3rd class 1
Seaman, 1st class 2
Emergency Class:
Petty Officer, 2nd class 1
" " 3rd class 3
Seaman, 1st class 1
Advanced Signalling Training Students:
Petty Officer, 3rd class 3
Seaman, 1st class 1

Naval Communication School:
Advanced Class Telegraphy Training Students:
Petty Officer, 2nd class 2
" " 3rd class 11
Seaman, 1st class 1

Naval Engineering School:
Advanced Engineering Training Students:
Petty Officer, 2nd class 1
" " 3rd class 5

Advanced Electric Motor Training Students:
Petty Officer, 3rd class 2

Naval Mine School:
Advanced Mine Training Students:
Petty Officer, 1st class 1
" " 2nd " 1
" " 3rd " 1

Advanced Submarine Range-finding Training Students:
Petty Officer, 1st class 1
" " 2nd " 1
" " 3rd " 1

Naval Damage Control School:
Special Students - Ship-fitting Training Students:
Ship-fitter Petty Officer, 1st class 1
" " " " 2nd " 1

Yokosuka Naval Hospital:
Advanced Nursing Training Students:
Petty Officer, 2nd class 1
" " 3rd class 1

The ceremonies of entering Naval Barracks were held at various Naval Stations as follows:

Maizuru Naval Station:
Naval recruits of the latter period of the current training year recruited from 7 prefectures under the jurisdiction of the Naval Station had been receiving elementary training at Naval Barracks. On the 4th beginning at 9 a.m., the ceremony of entering the Naval Barracks was held on their behalf in the presence of Rear Admiral M. Matsuyama, the Commander of the Barracks.

Kure Naval Station:
The ceremony of entering Naval Barracks for recruits coming up from 15 prefectures under the jurisdiction of the Naval Station was held on the 4th from 8:30 a.m. Chief of Staff of the Naval Station Rear Admiral K. Ugami was present on the occasion.

The Emperor gave on June 20 orders to His Highness Prince Takamatsu to attend as his representative the joint commencement ceremony of the Naval Gunnery School, Torpedo School, Mine School, Navigation School, Communication School, Engineering School, Damage Control School, Yokosuka Naval Air Station, and Yokosuka Naval Hospital to be held on July 5 at the Yokosuka Naval Station.

The annual cruise of the senior class cadets of the Naval Engineering College is to be held from June 30 to July 5.
The cadets will leave Higashi Maizuru on board a warship

on June 30 at 6:30 a.m., arriving at Hakata on July 1 at 3 p.m. After visiting historical places near Hakata, they will leave the port on July 3, arriving at Hagi in the evening of the same day. At Hagi the senior-classmen again will visit show places in and around the town, and return to Higashi Mizuru on the 5th at 2 p.m.

9. (903-400) Commander-in-Chief of the Combined Fleet: A character sketch of Admiral Isoroku Yamamoto, Commander-in-Chief of the Combined Fleet appeared in the Kodan Club, a popular story magazine for May. The article credits him with being a strict disciplinarian and an intrepid and aggressive leader. He is said to be extremely taciturn and applies this "practice in silence" rule to the forces under his command. He was wounded during the Russo-Japanese war, losing two fingers from the left hand. The article does not give details of prior assignments other than to state that he has had experience in regular line as well as General Staff duties. He was Vice-Minister of the Navy in 1938.

10.(903-200) Officer Personnel: The following item appeared in a press report of 24 June:

> "The Navy yesterday sent out a call for college graduates to fill the need for trained men in technical and medical departments, especially naming the medical, pharmaceutical, paymaster, naval architecture, engineering and ordinance departments.
>
> "The candidates must be college graduates between the ages of 20 and 32 and if they successfully pass the examination they will receive two years commission as Junior Grade Lieutenants.
>
> "The time limit for applications is October 10, 1941, for the medical and pharmaceutical departments and a month earlier for the other departments. College students graduating next spring are eligible."

11. (505) Shipping: On 8 July the Information Board of the Japanese Government announced that Japanese shipping would be concentrated in the Pacific, giving as reasons (1) that Japan was short of bottoms and (2) that the amount of trade that Japan has on the east coasts of North and South America does not warrant sending ships such long distances.

Japanese ship operators, as a result of negotiations, have decided to raise freight rates on the Japan/Philippine run by 15 percent. The new rates will be put into effect on 1 August 1941.

The Communications Ministry is reported to be making preparations to station Government Marine Superintendents in some twenty different ports beginning early in August. These officers will be made responsible to the Marine Section of the Communications Bureau and they will collaborate with the Central Maritime Transportation Control Association to facilitate the speedy clearance of ships from ports in their respective districts.

12. (505) The permission of the Communications Ministry was granted Tuesday for the construction of 14 new vessels, the keels of which are to be laid in the near future and to be completed by January next year. Several of the planned ships are ore-transports and the remainder, ordinary freighters, says the Nichi Nichi.

In this connection, the paper reports that the amalgamation move among steamship companies has been progressing in line with the Government's policy toward stricter shipping control. Attempts have already been made successively by major steamship firms to absorb smaller ship operators. In this connection the Kuribayashi Steamship Company, capitalized at ¥10,500,000, recently succeeded in placing the Yamamoto Steamship Company, capitalized at ¥2,000,000, under its control.

The Communications Ministry officials, continues the paper, are favoring the merger movement, because the tendency is in conformity with the spirit of the Shipping Enterprise Law which has not yet been submitted to the Imperial Diet. The officials are intending to promulgate the Shipping Enterprise Ordinance on the basis of the National General Mobilization Law, if circumstances permit in order to give the move legal support.

The following table shows the development of the consolidation movement among steamship companies since July, 1940:

1.) July, 1940 - The Nissan Steamship absorbed the Tokyo Bay Steamship.

2.) July, 1940 - The Osaka Shosen Kaisha absorbed the Kagoshima Steamship.

3.) August, 1940 - The Tomoyegumi Steamship succeeded in placing the Azuma Steamship under its control.

4.) August, 1940 - The Yamashita Steamship secured control over the Todai Steamship.

5.) December, 1940 - The Japan Petroleum Company absorbed the Ogura Petroleum Company.

6.) January, 1941 - The Nitto Steamship absorbed the Japan Tanker, Daiwa Nitto Steamship and Shirasaka Steamship.

7.) March, 1941 - The Daido Steamship absorbed the Yamato Steamship and the Tairiku Steamship.

8.) May, 1941 - The Taifuku Steamship was placed under the control of the Daido Steamship.

9.) May, 1941 - The Kokoku Steamship was absorbed by the Miyaji Steamship.

13. (505) Marine Day: The 20th of July was observed in Japan as "Marine Day" in an effort to make the people of the country more conscious of maritime matters. The 20th of July was selected because it is the anniversary of the date on which Emperor Meiji returned to Yokohama from Aomori aboard the MEIJI MARU some 66 years ago. The Japan Marine Affairs Promotion Association announced that a Marine Library costing ¥500,000 will be established in Tokyo within the next few years, and will be devoted to books covering all possible phases of marine affairs.

14. (507) Underwater Tunnel: Preliminary surveys have been started in the Chosen Straits to determine the feasibility of cutting a tunnel under the Straits between Yobiko village in Saga Prefecture and Chosen by way of Iki Island. The total distance is 84 miles, and Iki Island is 18 miles from the Japanese Coast.

15. The names of individual ships were removed from the cap ribbons of Japanese bluejackets in May of this year. They now simply read the equivalent of "Imperial Japanese Navy".

16. A source which is believed to be fairly reliable has furnished the following miscellaneous items concerning the Navy:

a) The 4.7 guns of the destroyers have a maximum elevation

b) The A. A. armament of most destroyers consists of two 25 m.m. machine guns - some have four.
c) The Yasukuni Maru, taken over by the Navy, is now a submarine tender, and the Shuwa Maru, recently taken over, is to be converted to the same use.
d) The Japanese are building a naval air station in Palau on Arakabe San Island which is expected to be finished in 1943.
e) There is a capital ship fitting out at Kure which was built at Yokosuka and which is supposed to be ready for trials in August of this year.
f) The Misshin is not the name of a new battleship, but is a seaplane tender of 10,000 tons - sister to the Chioda and Chitose. She is still fitting out. The design of the Chioda and Chitose is said to be not entirely satisfactory.
g) Both the carriers SHOKAKU and ZUIKAKU will be sent to Kure for final fitting out and trial.
h) Kure is reported to be making guns larger than 40 cm. which are to be installed on 4 capital ships building there. A characteristic of the new ships is that they have greater beam and are comparatively short so as to provide maximum protection. Their bridge structure is smaller than former ships - about the size of that of a heavy cruiser.
i) All capital ships will take part in the August maneuvers.
j) The new destroyers are reported to have 61 cm. torpedoes. "KAWAKAZE" is the name of one of the new DDs.
k) Japanese destroyers are reported to slow to between 6 and 10 knots to fire torpedoes
l) The capital ships basing in Kure are the ISE, HYUGA and FUSO.
m) The "MOGAMI" class cruisers all have eight 23 cm. guns.
n) The "I" class submarines have a surface speed of 23 knots and a submerged speed of 8 knots. They can operate at full speed submerged for 10 hours. One recently returned from a cruise in the Hawaiian area which carries one airplane.

17. War Donations: The Japanese Navy has received donations amounting to ¥93,000,000 since the outbreak of the China Incident, and during the same period had also received 2,440,000 comfort bags. The Navy Department stated that the funds were being used for three purposes; (a) to establish recreational facilities for men at the front and in hospitals as well as to assist war-bereaved families, (b) to purchase 397 new planes and 986 naval weapons, and (c) to promote scientific research in naval munitions and other war supplies.

18. The American Consulate at Kobe reported on 16 July that there were 10 Axis merchantmen in port (names not given).
On the 19th of July an armed Italian merchantman, the "ERITREA" anchored in the outer harbor of Kobe.
The former German ship, "R.C. RICKMERS" was reported by Kobe to have been taken over by the Japanese and re-named the "TEIFUKU MARU".
The German ships "HAVENSTEIN" and "URSULA RICKMERS" which were refuged in Dairen were reported to have received

Chinese crews and sailed for Japan on 30 June under the Japanese flag with goods which was in Dairen enroute to Germany when the Soviet/German war broke out.

19. China Incident Anniversary: July 7th, the fourth anniversary of the outbreak of the China Incident was observed throughout Japan with religious services, speeches, and special gatherings held by schools, young people's associations, factories, and neighborhood associations. The general tenor of the speeches was that the China Incident is a Holy War to establish the New Order in East Asia, and that the people must place confidence in the determination and ability of their government to bring it to a successful conclusion in spite of American/British/Chungking efforts to prolong it. Rear-Admiral Minoru Mayeda, spokesman of the Navy Ministry injected a few more pointed remarks in his speech as reported in the press and quoted below:

> "The strengthening of naval and air bases by the United States Navy in the Pacific as well as expansion of United States Fleet itself, Rear-Admiral Mayeda declares, is directed solely against Japan, while no less important fact is that the Netherlands East Indies, Australia, Philippines and New Zealand are attempting to encircle Japan, rallying under the United States banner. Needless to say, the Navy Spokesman continued, the Chungking regime has adhered to this joint anti-Japanese front.
>
> "The Navy Spokesman says that 'as a sequel to German/Soviet war, the northern Pacific situation claims our serious attention in connection with the United States announced aid to the Soviet Union. When it is remembered that the United States has acquired important naval and air bases in Atlantic in return for selling 50 destroyers to Great Britain, nobody can tell that the United States will not repeat its old trick in extending 'aid' to the Soviet Union. Should this alarmist view come true, the Japanese sense of security in the Northern Pacific will be shaken to the ground. Further crisis might arise in the Japan Sea itself, should Vladivostok make an anti-Japanese move.
>
> "Pointing out that the China conflict is not limited to East Asia alone but, on the contrary, had become part of the large-scale world disturbance, the Navy Spokesman urged the nation not to limit their attention to the China affair but instead to prepare themselves against a new conflagration sweeping the Pacific.
>
> "The Navy Spokesman, however, assured the nation that the Imperial Navy has been fully prepared against any emergency, being firmly convinced of victory, by saying that 'comparative naval strength cannot be determined by quantity alone, but, on the contrary, quality forms the decisive factor in determining comparative naval strength. If the full aspect of the Imperial Navy is laid before the public, it is my firm belief that it will not be the Japanese nation alone who will be struck with admiration. In the war with China in 1894-5, and with Russia in 1904-5, the Imperial Navy annihilated navies which had been far more advanced and stronger than itself. In the first World War the Imperial Navy was active in the Pacific and as far as the Mediterranean. In the current conflict with China the Imperial Navy has evolved a new strategy. The Imperial Navy is living true to its tradition of 'completing preparations to win without fighting and fostering to emerge victorious from any battle if it is fought.

"Complete settlement of the China Affair and establishment of a sphere of common prosperity throughout Greater East Asia forms the two beacons guiding Japan along her path to construction of a New Order in the world".

20. Meteorological Observatory: What the Japanese claim to be the largest and best astronomical observatory in the Orient has recently been completed on the summit of Mount Ikoma in Nara Prefecture. It is called the Central Meteorological Observatory.

21. Ships. Two gunboats "KIANG NO.13" and "KIANG NO.14" recently built in Shanghai will be sent to Nanking soon for service in that area.

22. Military Decoration: On July 7th, the Emperor bestowed the Order of the Golden Kite on 43 Navy Officers and men who had served in the China War. This was the first instance when this order had been granted to personnel still alive, in connection with the current China affair. On 26 June posthumous awards were made to 97 officers and men, which constituted the 19th time awards were made toNavy personnel since the outbreak of the Incident.

23. Chinese Naval Attaché: Vice Admiral Ling Hsiao arrived in Tokyo on 23 June as the first Naval Attaché of the Nanking Government to be sent to Tokyo.

24. Voluntary Military Service in Taiwan: On 21 June the Cabinet announced that beginning next year voluntary military service will be established in Taiwan.

25. Anti-Spy Campaign: The police and military authorities have been staging anti-spy campaigns throughout the country at frequent intervals, using all known types of publicity, and that they have succeeded in inducing quite a state of spy-hysteria among the people is perhaps best exemplified by the below article from a Kobe paper:

"An anti-espionage campaigner in an article appearing in the Nippon Kaiun under the title of 'Spy and Carrier Pigeon' strongly advocates that foreigners should be prohibited from raising or keeping carrier pigeons because these pigeons can easily be used in espionage work without the least suspicion if they so desire.

"He points out that a carrier pigeon equipped with a midget camera can be directed at will to fly over any military zones or strategic places where photographing is prohibited and accomplish the aim without running the risk of raising suspicion because no-one would suspect an innocent-looking pigeon in flight to be the agent of a spy. He claims that not a few of the foreigners in Kobe are fanciers of homing pigeons and as it is generally impossible to accuse anyone of being a spy without incriminating evidence, he suggests that it is best that they all be prohibited from raising or keeping carrier pigeons."

[redacted]

O. N. I. 90—2M

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ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial No. 84-41 (Start new series each year, i. e. 1-41, 2-41)

Monograph Index Guide No. ..... (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 21 August, 1941

Reference ..... (Directive, correspondence, previous related report, etc. if applicable)

Source Mostly press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation ..... (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitle) (Make separate report for each title)

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MISCELLANEOUS NOTES ON NAVAL SUBJECTS

Miscellaneous notes on naval subjects.

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Report No. 84-41
Japan
21 August 1941

## MISCELLANEOUS NOTES ON NAVAL SUBJECTS

1. (901) Organization On 31 July, 1941, the Navy Ministry made the following announcement:

> "As a Department in the Navy governing construction and civil engineering matters it has been decided that there be established a naval Facilities Department under date of August 1 and that consequently the Civil Engineering Bureau of the Navy Ministry be abolished. Decision also has been made that all naval construction chiefs, in so far as their technical arts are concerned, be placed under the supervision of the Director of the newly established Naval Facilities Department. The Director for the first time of the Naval Facilities Department is Vice-Admiral Shiro Koike."

The new Director of the Naval Facilities Department, Vice-Admiral Shiro Koike, 56 years old, was born in Tokyo. He was graduated at the Naval Academy in 1909. After graduation from the Naval Staff College he was appointed naval attache to the Legation at Rio de Janeiro. He was then appointed captain of the special service ship ERIMO, being then appointed successively as adjutant in the service of the Naval General Staff Office, and captain of the warships AOBA and CHOKAI. Later he was appointed director of the Naval Navigation School and then director of the Hydrographical Department of the Navy. In 1939 he was promoted to be Vice-Admiral and was ordered in June of the same year to work at the Naval General Staff Office and concurrently also in the Navy Ministry.

The abolished Civil Engineering Bureau was inaugurated in 1923 under the initial directorship of Dr. Kenzaburo Majima, a civil engineer in the service of the Navy Ministry. The directorship of the Bureau was then taken over by Mr. Tadashi Yoshida, who has held the post up to the present.

The forerunner of the Bureau, the Civil Engineering Department, was created in 1896. This Department dealt with matters covering naval architectural and civil engineering work, planning and handling matters concerning naval property. With the strengthening of the Imperial Japanese Navy, this Department has been continuously strengthened in its organization. Under the new system, the erstwhile system of appointing a civil engineer as chief of the Civil Engineering Bureau has been abolished and decision has been made to appoint a flag officer of the Navy in the active service as Director of the new Facilities Department.

2. (901) According to the Official Gazette, Naval Ordnance Construction Supervisors are located and have supervision as follows:

| Tokyo Naval Chief Supervisor: | Supervisory area: |
|---|---|
| | Tokyo, Kanagawa (including Yokohama City, Tachibana-gun, Tsuzuki-gun; and Tokyo Screw Manufacturing Company, Totsuka Shop of Hidachi Seisakujo, Tsujido Shop of Matsushita Dry Battery Company), Chiba, Saitama, Ibaraki, Tochigi, Gumma, Yamanashi, Nagano, Niigata, Fukushima, Miyagi, Yamagata, Iwate, Akita, & Aomori Prefectures. |

| | Supervisory area: |
|---|---|
| Osaka Naval Chief Supervisor: | Osaka, Hyogo (including Kawabe-gun, Amagasaki City Muko-gun east of Muko River & Kawanishi Aircraft Co.), Kyoto, Shiga, Nara, Wakayama, Fukui, Ishikawa, Toyama, Shimane (limited to aircraft shops in area east of Ii-ishi-gun and Hinokawa-gun) Prefectures. |
| Kobe Naval Chief Supervisor: | Hyogo, (exclusive of Kawabe-gun, Amagasaki City, Muko-gun east of Muko River & Kawanishi Aircraft Co.), Tottori, Shimane (exclusive of aircraft shops in area east of Hinokawa-gun & Ii-ishi-gun), Tokushima, & Kochi Prefectures. |
| Nagoya Naval Chief Supervisor: | Aichi, Gifu, Shizuoka & Miye Prefectures. |
| Nagasaki Senior Naval Supervisor: | Nagasaki, Kumamoto, Kagoshima, & Okinawa Prefectures; Formosa, Korea, & Kwantung. |
| Uraga Senior Naval Supervisor: | Kanagawa Prefecture (exclusive of Yokohama City, Tachibana-gun, Tsuzuki-gun; Tokyo Screw Manufacturing Co., Totsuka Shop of Hidachi Seisakujo, & Tsujido Shop of Matsushita Dry Battery Company). |
| Muroran Senior Naval Supervisor: | Hokkaido, Sakhalin Island. |
| Yawata Senior Naval Supervisor: | Fukuoka (Munekata-gun, area east of Kurate-gun & Tagawa-gun), Oita, Miyazaki, & Yamaguchi (Abu-gun, Mine-gun, Atsusa-gun, & area west of Ube City) Prefectures. |
| Hiroshima Senior Naval Supervisor: | Hiroshima, Yamaguchi (exclusive of Abu-gun, Mine-gun, Atsusa-gun, & area west of Ube City), Shimane (exclusive of area east of Hinokawa-gun & Ii-ishi-gun) & Ehime Prefectures. |
| Fukuoka Senior Naval Supervisor: | Fukuoka (exclusive of Munekata-gun, & area east of Kurate-gun and Tagawa-gun) & Saga Prefectures. |
| Tama Senior Naval Supervisor: | Okayama & Kagawa Prefectures. |

3. (903) Personnel. Navy Dept. orders of 11 August 1941 announced the following assignments:

Rear Admiral M. Matsuyama as Commander, Kure Naval Barracks.
Captain T. Nippa as Commander, Maizuru Naval Barracks.
Commander T. Tsuzuki as Head of the Third Section, Kure Personnel Office.
Captain K. Hamada as Chief of Staff, Maizuru Naval Station.

The new stations of the officers relieved were not announced.

Rear Admiral Matsuyama was born in Wakayama Prefecture; appointed Ensign in December 1913; graduated from Naval Gunnery School in 1920; promoted to Lieut-Comdr. in 1924 and to Commander in 1930. Promoted to Captain in 1934 when he commanded the special service ship SUNOSAKI; commanded the KITAGAMI in 1935; the KINUGASA in 1937; the TAKAO in 1938 and the special service ship ASAHI in 1939. Promoted to Rear Admiral in 1940.

The Navy Dept. announced on 18 August that Vice Admiral S. Inouye, Chief of the Aeronautics Dept. has been transferred to sea duty and that the Vice Minister of the Navy, Vice Admiral Y. Sawamoto had been appointed Chief of the Aeronautics Dept. as an additional duty.

The Board of Decorations announced the names of 12,000 officers and men of the Army and Navy who have recently been rewarded for their services in the China Affair. This is the second occasion since the outbreak of the Incident that surviving personnel have been honored. 5,092 Orders of the Golden Kite were bestowed, of which 157 went to Naval personnel. No naval officers were on the list of those receiving the distinction.

4. (903) Naval volunteers from six prefectures under the jurisdiction of the Maizuru Naval Station, who receive appointments during the second half of the current training year, are scheduled to enter the Maizuru Naval Barracks on September 1.

5. The second volume of the "Records of Loyalty" was completed by the Naval Education Bureau of the Navy Department on August 13 in memory of the fourth anniversary of the outbreak of the Shanghai Incident. The first volume was completed on August 13, 1940. The second volume contains a description of actions between August 18, 1937 and September 13, 1937. It also records the fighting by Lieutenant Commander Yoshida who was killed during the air raid of Yangchow on August 21, 1937, and by Lieutenant Commander Kamishikiryo who was killed during the air raid of Kwang-te on August 29, 1937. The volume is of 570 pages; and copies have been distributed among naval offices, and primary schools where officers and men whose meritorious deeds are recorded in the volume were educated.

6. (903) Special insignia will be awarded to seamen who have completed the Japan Mercantile Marine Patriotic Association's 3 month course in hand, light, and rocket signalling now being held at the Yokohama offices of the association under the direction of an officer of the Imperial Navy.

The association instituted a course in signalling in order to enable the crews of merchant ships to signal warships.

7. (903) By Navy Department Order No. 23 dated June 17, 1941, Naval Construction, Engineering, and Ordnance Cadets regulations were revised so as to include Dental Cadets.

Dental Cadets are to be appointed from among candidates of from 17 to 25 years of age; and are to receive training at one of the following schools:

Tokyo Koto Shikai Gakko (Tokyo Higher Dental School)
Tokyo Shikaigaku Semmon Gakko (Tokyo Dental College)
Nippon Shikaigaku Semmon Gakko (Japan Dental College)
Osaka Shikaigaku Semmon Gakko (Osaka Dental College)
Kyushu Shikaigaku Semmon Gakko (Kyushu Dental College)
Keijo Shikaigaku Semmon Gakko (Keijo Dental College)
Nippon Daigaku (Japan University)

8. Recent publicity campaigns designed to make the public more conscious of marine matters have had some success, especially with young boys. The Young Men's Associations and the Boy Scouts of Osaka Prefecture have combined with the Osaka Marine Scouts to form the Osaka Prefectural Marine Scouts.

9. (903) On August 2nd, an Imperial Ordinance was published as follows:

"Naval officers, special service officers and warrant officers on the retired list, who volunteer to serve with the Navy in war time or emergency may be enrolled in a reserve status after a qualifying test, the details of which are to be determined by the Naval Minister."

10. (903) By Navy Department Notice No. 21, dated August 20, 1941, the last date of application for the appointment of Lieutenant J.g.'s (Medical and Pharmacist Branch), and of Ensigns (Medical and Pharmacist Branch), has been advanced from October 31, 1941 to September 30, 1941. (Note: The foregoing officers are appointed from among graduates of medical schools.)

11. (903) Heretofore enlisted personnel of the Aviation Branch of the Navy have been divided into two categories: 1) Aviation Service Seamen (Kōkūhei) and 2) Riggers (Seibihei).

As of June 1941, the designations have been changed as follows:

All personnel who perform duty involving flying are Flying Service Seamen (Hikōhei).

All other personnel : Riggers (Seibihei).

12. (907) Operations - Occupation of French Indo-China: Press releases on the occupation of French Indo-China have been extremely meager, and then couched in only the most general terms. On the trip down from Japan, aerial patrols were constantly maintained over the convoys, and all ships ran darkened at night. On 31 July, an undisclosed number of Japanese warships and two French gunboats were reported by the press as being in Camranh Bay. On 4 August, a reliable report indicated that there were present in the Saigon Bay area one aircraft carrier, one heavy cruiser, one light cruiser of the NATORI class, eight destroyers and six torpedo boats. On 31 July, the ranking officers of the Japanese Army and Navy in French Indo-China published a statement to French Indo-China official and un-official quarters through the French Indo-China press in which they expressed their gratification at the signing of the agreement for joint defense. They continued on to say that they considered it an honor to have charge of the joint defense of French Indo-China, and concluded by stating that while declaring their strong determination to co-operate with the Army and Navy of French Indo-China, at the same time they wanted absolute co-operation and assistance from the official and un-official circles of that country.

13. (910) Ordnance - Inventions: The Japan Chronicle of 14 August, carried an account of a 27 year old employee of the Mitsubishi Dockyard in Nagasaki who claims to have invented a noiseless machine gun after eight months of research. The newly invented weapon has been submitted to the technical headquarters of the War Office.

14. (505) Shipping: The 1700 ton KANO MARU NO.3 was caught in a typhoon 20 miles off Tokunoshima Island, Kagoshima Prefecture on 7 August and sank with all hands.

Plans are being worked out for placing all major industries of Japan under State control under the provisions of the National General Mobilization Act. The shipping industry is one of the first to be so treated; a separate report is being submitted on it. It has recently been announced that correlated industries such as Harbor Transportation and Stevedoring will also be put under State control.

15. (602-800) Nagasaki Harbor: A large graving dock is under construction on Koyagi-Jima to the northward of the slips and drydock shown on H.O. Chart #2421, consecutive number 2748.

The power transmission line between Kyushu and Koyagi-Jima has been extended from Koyagi-Jima to Okinoshima.

All building ways at the Mitsubishi Yard are fitted with gantry cranes. A large floating crane is nearing completion at the Mitsubishi Yard which will probably have a capacity of around 100 tons.

16. Oil: The Department of Commerce and Industry is making preparations to strengthen the oil rationing system and create a control association for the refining industry, as it too will soon be placed under State control. As a preliminary step it is urging the absorption of the smaller refineries by the larger companies. In fact this has been going on since 1939, as a result of which the number of refineries has decreased from 32 firms early in 1939 to the present 21 firms. Seventy percent of the total oil production in Japan is being turned out by the Japan Oil Co., and its subsidiaries; 20 percent by the Maruzen, Asahi, Hayama, Aikoku and Mitsubishi oil firms and 10 percent by the smaller refineries. The Ministry's decision to spur consolidation further is now expected to eliminate the current difficult conditions of small-scale refiners and also improve the oil refining capacity of Japan so as to meet any possible oil embargoes against this country.

17. Iron: At a national conference of technicians held on 30 July, the conclusion was reached that iron and steel makers in Japan will be able to carry on their business even if America and Britain cut off the supply of ore from the Philippines and Malaya. The lack of these sources will be counter-balanced by an expected increase in production in Japan Proper, Chosen, Manchukuo and North and South China. Although this ore will not be of as high quality as that from the Philippines and Malaya such a minor handicap will not prevent the manufacturers in this country from making iron and steel which can be rated equal to previous standards. As to the supply of manganese, the conferees declared that the Kamaishi plant of the Japan Iron and Steel Manufacturing Co. and the Osaka Iron and Steel Manufacturing Co. have recently perfected processes of economizing the consumption of manganese, and therefore the iron and steel makers are not worried about any possible decline in the import of manganese in the future. The Kawasaki Heavy Industry

Company is planning to institute an Industrial Science Laboratory, by investing some two million yen, to improve the technique of shipbuilding, steel plate manufacturing, rolling stock, aircraft, etc.

18. Anti-espionage: The Anti-Espionage Society, realizing the threat of espionage activities under the prevailing delicate international situation, has decided to distribute some 50,000 pamphlets to all large organizations, Government offices, cities and farming districts, to train the people in the practice of preventing and fighting espionage activities, according to the "Asahi".

The society has printed seven posters warning the people with apt anti-espionage slogans, such as "Don't forget that Japan is at war!" "Don't become a foreign fifth columnist," "Regain your Japanese spirit," "Unite!" and "Don't speak or listen to things that are of no value!"

Special pamphlets have been printed for farmers, fishermen, city people, officials, and so forth, warning them to be on the lookout at all times.

19. Tutuila Incident: On 31 July, the Senior Aide to the Minister of the Navy called on the Naval Attaché and under instructions from the Minister of the Navy orally expressed the regret of the Navy for the damage done to the "TUTUILA" by Japanese naval air forces in a raid in Chungking on 30 July, and after giving assurances that the bombing was accidental stated that the Japanese Navy is prepared to make full reparation for any damage. As he was leaving, the Aide stated that the Minister of the Navy was very much worried over this latest bombing incident and had told the Aide that the Japanese Navy would do everything possible to prevent a war between the United States and Japan.

On 5 August, the Senior Aide to the Minister of Marine handed following statement to the Naval Attaché:

"Concerning the incident of the U.S.S. TUTUILA being damaged during our air raid on Chungking of July 30, the following conclusion was drawn upon the basis of report by Commander at the front line, detailed explanations by a staff officer specially despatched to the front, and repeated and minute investigations:

"The bomb which fell in the vicinity of the TUTUILA was dropped from a plane in a formation that participated in the air raid in following a course the formation was compelled to take, and the bomb went wide of its mark on account of an infinitesimal delay in releasing it. The incident was caused by a pure accident (we wish to emphatically deny a rumor reported to be current in certain quarters that we intentionally bombed American interests at the time of the air raid, and hope very much that no such misunderstanding exists.)

"Our air forces are under strict orders to exercise utmost caution during operations in China lest American interests particularly American men-of-war should be damaged, and heretofore, the orders were well observed. However, the attention of the Commander at the front was called immediately to the regrettable incident.

"In informing you the result of our investigation, we wish to express our profound gratitude and respect towards the American Government for the measures it took in connection with the incident."

20. Press Comments: Editorials and articles by various commentators have been consistently stressing the "encirclement by the ABC" theme, ABC being America, Britain and China. Since the

occupation of French Indo-China this has usually been increased to the ABCD group to include the Dutch East Indies, and recently the Soviet Union has been added. However, with economic support from French Indo-China and Thailand, Japan will be able to withstand these attempts at economic strangulation and will proceed with her mission of building the Greater East Asia Co-Prosperity Sphere. Most writers agree that United States participation in the European War is imminent, and that whatever the outcome of the Soviet-German conflict, the U.S.S.R. will be so weakened that she will not be able to wage war on Japan.

Captain Hiraide, the Naval spokesman, made a speech on the 14th of August in which he warned the people that a war in the Pacific would have vastly different effects on them than they have been experiencing during the China Incident, since from the very start of the Incident, Japan has had control of the sea and air. He also warned other countries not to underestimate Japan's strength, since Japan's characteristic is that her outward appearances do not reveal her inner possessions.

Masanori Ito, Counsellor of Domei News Agency and newspaper man of some 20 years' experience, who has published several works on politico-military subjects, had an article in the June issue of "Contemporary Japan" entitled "The Future of the Two-Ocean Fleet" which is worth noting since he is considered a qualified commentator on such subjects.

In the article, Ito traces the development of the idea of a two-ocean navy from February 1938 when Admiral Leahy first suggested a sixty-six percent increase in our naval forces to the seventy percent expansion bill approved by Congress in 1940. In reality this amounts to an increase of over eighty percent since it is an increase of seventy percent over and above the eleven percent increase under the third Vinson Plan of April 1940. When Admiral Leahy's plan was first mentioned in 1938 Congress and the press were inclined to view such a gigantic naval expansion as fantastic, but the fact that an even greater scale increase could be authorized only two years later was due to the astonishing victories of the German Army and the British retreat from Dunkirk in June 1940, which stimulated American interest in armaments.

Ito continues to state that the programme is an improvised and hastily continued plan, and that it is problematical whether it can be carried out, the difficulties being a probable shortage of building materials and equipment, and a probable shortage of trained personnel to operate such an armada if it is finished as scheduled in 1947.

As regards the first point, he concedes that progress in naval construction has been highly satisfactory so far, and that it is possible that the same pace might be continued in building cruisers, destroyers and auxiliary vessels, but the main construction difficulty will be with capital ships. To quote:

> "For here the question of preparedness comes in. As a matter of fact, not sufficient equipment exists at present for the manufacture of armour plate of a greater thickness than sixteen inches suitable for use for capital ships, as well as for making steel ingots for the manufacture of big gun-barrels and other essential armaments. These equipments are absolutely essential in the construction of capital ships, and for capital ships only, not being required for the construction of other categories of ships. And no industrial country, however advanced, can convert peacetime industry to the production of such equipment.

"There is in the United States only one government factory, located in South Charleston, which can make such equipment. There are also three private concerns making similar equipments including the New York Shipbuilding Company, but all are on a much smaller scale than the government factory. It being obviously impossible to build simultaneously so many big capital ships with only these factories, one wonders whether it is possible to count upon the actual start, for the time being, of the construction for the seven big capital ships under the Stark expansion programme.

"The United States authorities cannot, of course, be unaware of such deficiency. The sum of $1,500,000,000 has been invested since June, 1940, for the expansion of government and private armament factories. There can be no doubt that this money has been used primarily to enlarge the equipment for the production of heavy armour plate and steel ingots for capital ships. But to complete such expansion will require at least two years even in such an industrial country as the United States. Actual production of the required equipment and materials, therefore, cannot be expected before the beginning of 1943. One of the reasons why the work on the 55,000 tonner, the ILLINOIS, cannot easily be started then becomes clear.

"The second defect in point of preparedness for the building of large capital ships is the shortage of gridirons. The United States has sixteen gridirons suitable for the building of capital ships up to 45,000 tons each, but they are not large enough for 55,000 tonners. For this particular purpose, dry docks measuring about 1,500 feet in length and over 180 feet in width must be constructed. Such construction has already been started. However, as this will require about thirty months, the building of super-Dreadnoughts cannot actually be commenced before 1944. In other words, it is necessary to spend two or three years to prepare for the construction of these monster ships.

"If instead of the two-ocean fleet plan having been hastily decided upon in 1940, its first period expansion had been decided and prepared for since 1938, these various necessary equipments would have already been installed and the construction of the ships would have progressed without any hitch. But the plan was actually decided upon in haste with the consequence that a number of years will be required to make preparations. Moreover, if the assertions of some authorities are accepted at their face value that the "era of 18-inch guns" is coming, the prospect of all the projected big capital ships of the United States being finished by 1947 is very slight, indeed."

* * * * *

The second difficulty, personnel, is treated as follows: The authorized emergency strength of the Navy as per the law enacted in 1918 was 205,000 officers and men, including medical corps personnel. In March 1941 a bill was passed by Congress increasing naval personnel to a peacetime strength of 232,000 and an emergency strength of 300,000. At the beginning of 1941, Ito estimated the regular Navy personnel to be about 187,000. Since all of the 138 ships which were building last year will be completed and put into commission in 1943, these ships alone will demand at once 100,000 officers and men.

Calculating the required personnel strength in proportion to the increase in ships, the following figures are obtained:

| | |
|---|---|
| 1942-3..... | 300,000 |
| 1943-4..... | 410,000 |
| 1944-5..... | 485,000 |
| 1945-6..... | 520,000 |
| 1946-7..... | 535,000 |

It is very doubtful if such a high rate of increase of personnel can be maintained, even admitting the rather remarkable success in enlisting men for the Navy as shown by recent records. Even assuming that the quotas could be met, the preponderance of men manning the ships would be raw recruits, since it is generally admitted that it takes three years to make full-fledged sailors. The officer personnel problem would be correspondingly more serious.

Ito concludes by saying that it would be a mistake to suppose that the three Axis powers will not increase their present building programme to counterbalance that of the United States. He personally estimates the total number now under construction in the three countries as being not less than 16, and as time goes on, say in 1948 or 49, the number of capital ships will be greater on the Axis side than on the United States.

N. N. I. 90—1000

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**NAVY DEPARTMENT**

# INTELLIGENCE REPORT

Serial No. 89-41 (Start new series each year, i. e. 1-41, 2-41)

Monograph Index Guide No. 1005-2100 (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attaché (Ship, fleet, unit, district, office, station, or person) at Tokyo Date 23 August, 19 41

Reference (Directive, correspondence, previous related report, etc. if applicable)

Source Press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.)

Evaluation (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitle) (Make separate report for each title)

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## COMMENTS ON NAVAL AVIATION BY JAPANESE NAVAL AVIATORS

Excerpts from a round-table conference of naval officers on aviation subjects published for publicity purposes. Notable points are their emphasis of the importance of torpedo planes, and their endorsement of separate air arms for the Army and Navy.

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U. S. GOVERNMENT PRINTING OFFICE 16—13403

Report No. 89-41
Japan
23 August 1941

## COMMENTS ON NAVAL AVIATION BY JAPANESE NAVAL AVIATORS

The "Shufu-no-Tomo" magazine for August 1941 published a "Round Table Conference" article dealing with Naval Aviation subjects, excerpts from which are quoted below. Those participating in the conference were:

| | |
|---|---|
| Commander Sakaye Yamashita | - Air Staff Officer, Yokosuka Navy Yard |
| Lieut. Isogu Masunaga | - Naval Air Corps, Yokosuka |
| Lieut. Juji Murata | - " " " " |
| Lieut. Tsuneo Kotobuki | - " " " " |
| Lieut. Atsuji Tada | - " " " " |
| Captain Keizo Matsushima | - Chief, Third Section, Personnel Dept., Yokosuka |
| Comdr. Itaru Tashiro | - Fourth Section, Naval Affairs Bureau, Navy Dept. |
| Lieut. Jiro So | - Third Section, Personnel Dept. Yokosuka |
| Editor of the "Shufu-no-Tomo" Magazine. | |

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After explaining the mission of aircraft in scouting operations during the strategic phase of a major naval engagement, they come to a discussion of the tactical use of aircraft:

Lieutenant Masunaga: The attack plane units commence action, dividing themselves into horizontal bomber unit and dive bomber unit. It takes only a little over ten seconds to dive aiming at an enemy ship and release a hit, so that the enemy has scarcely time to respond our assault. After all, however, what gives the greatest damage to the enemy is the torpedo airplane of Lieut. Murata.

Lieutenant Murata: A torpedo plane carries aerial torpedoes and releases them into the sea a little distant from an enemy ship. When they reach the water, their screws start motion and hit the enemy ship. The torpedo plane goes down to the low altitude of 30 metres or 50 metres at the most before it drops aerial torpedoes. Otherwise, there is a possibility of the aerial torpedoes exploding too soon.

Commander Tashiro: Since the Bismark of Germany was subjected to three aerial torpedoes, I am asked at various meetings whether Japan has aerial torpedoes. I always answer this question by saying that they should feel easy because these arms have been fully studied and experimented since we were still cadets.

Lieutenant Murata: When the time comes we shall certainly rise up. Our first objects of bombing will be plane-carriers. That expansive landing deck is the best target. The deck is easily liable to damage into the bargain. When the deck is damaged, all planes once flew off from the plane carrier are unable to come back, which will be the cause for the annihilation of the hostile air corps.

Captain Matsushima: While the air combat is going on on one hand with all its splendour, an exchange of fire is being conducted on the other hand between the squadrons, each entirely invisible to the other. They are not firing, however, at random. They are adopting the tactics of observed fire through the agency of airplanes.

Editor: We should like you to go a little further into that point, if you please.

Lieutenant Tada: As none of the hostile ships come into the vision of our telescope, we cannot know whether our shots took effect. In order to ascertain this, reconnaissance planes go up at an altitude about one and half times as high as Mt. Fuji, about half way between the enemy squadron and the friendly one, and reconnoitre in what direction and at what distance the enemy squadron is located and to which direction it is heading, and report their findings to the chief gunners by radio. The chief gunners fire guns accordingly. The reconnaissance planes continue their observation, meanwhile skillfully keeping clear of the trajectories or seeking safety from attacks by hostile fighter planes. They wireless to the chief gunners whether their balls fell wide of the mark or otherwise, and the latter adjust the shooting range accordingly.

Commander Yamashita: It is the cream of super long distance fire.

Lieutenant Tada: The most important work for the reconnaissance planes at this stage is to measure the speed of enemy ships correctly. Several seconds must elapse between the firing and the shell reaches the distination. Taking this into account, the velocity must be estimated very minutely and precisely in order for the fire to tell.

Commander Yamashita: .... In level bombing, enemy planes release bombs from a height of 7,000 or 8,000 metres, which do not produce much effect. Why do they drop bombs from such a height ? Because they are prevented from coming down lower by sky guns, which are incessantly fired at them. The merit of keeping hostile aircraft at a certain altitude must go to high-angle guns, to be sure.

Editor: The searchlight is also an important protector for a warship, isn't it ?

Lieutenant Matsunaga: Yes. When an airplane comes into the illuminated area, it is easier to take a correct aim at it than in the day time.

Captain Matsushima: ..... In a naval battle, therefore, airplanes must get active first and make short work of hostile aircraft. The principle of the Navy at present is "a decisive battle, under air supremacy".

Captain Matsushima: In addition to the fact that Germany has no plane-carriers, the German air force is one, navy and army combined, and no special training is given on the sea. This may be only natural on account of the lay of land, but there is no doubt but that this lack of training on the sea is giving for the Germans some hardships in naval operations in which they are rather on the defensive. They have to resort to submarine boats as at present. As the British Fleet is the

whole of Britain, if it is done away with the rest will be quite easy. The Flanders operations is a good example of this. The same remarks apply to Italy, which, although having a fleet aggregating 600,000 tons, has no plane carriers, and for this reason, they are very poor at making use of airplanes in naval operations. Britain, on the contrary, is very skillful in this art.

Captain Matsushima: As regards warships, America's objective is a total tonnage of 3,050,000 tons or 701 ships, the construction of which is now being hurried on night and day. These figures were decided on by President Roosevelt with a view to taking supremacy over the Pacific and the Atlantic at the same time. When the home country is ruined and the British Fleet takes refuge to America, the defence of the Atlantic will be sufficiently fortified by the British Fleet alone. Germany and Italy are no match for Britain in point of capital ships. America will then concentrate all its naval strength on the Pacific. For this purpose they are now enlarging the Panama Canal, which at present is capable of letting pass ships of 40,000 ton type at the most. They are now proceeding with works on the Canal, so that ships of 60,000 ton type, which are now under construction, can pass through it. The detailing of squadrons by America at present is nothing but the unfolding of her tactics. They are ready to commence war as soon as orders are given. At this very juncture, if the Japanese people take things easy on the ground that 40% of popular voice in America is still against war, they will be subjected to unexpected misfortune. War with America is already going on. The economic warfare has come to the extreme. There is no room for improvement in political warfare. The only thing which remains to be done is a war by force of arms. Japan is not desirous of an armed conflict, but is fully prepared to do it if she is dared to. As stated in the Hiraide Statement the other day, we have 500 ships and 4,000 naval planes. The chances are decidedly in our favor. We must not, however, rest assured with the present naval strength. We must endeavor to increase the numbers of our ships and planes considerably and train ourselves more and more.

Commander Yamashita: If an American warship is sunk by a submarine this very night, Germany and America will open fire against each other at once. The time is already past when we can be considering whether a Japanese-American war will break out. This must be fully recognized....."

O. N. I. 88-1202

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

# INTELLIGENCE REPORT

Serial 95
(Start new series each year, i. e. 1-42, 2-42)

Monograph Index Guide No. _____
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From Naval Attache (Ship, fleet, unit, district, office, station, or person) at Tokyo Date Sep 22, 1941

Reference _____ (Directive, correspondence, previous related report, etc. if applicable)

Source Mostly press (As official, personal observation, publications, press, conversation with—identify when practicable, etc.) Evaluation _____ (As reliable, doubtful, unverified, etc.)

Subject Japan (Nation reported on) (Main title as per index guide) (Subtitles) (Make separate report for each title)

Basis:—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

NOTES ON NAVAL SUBJECTS.

Miscellaneous notes on Naval Subjects.

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Report No. 95.
Japan.
September 22, 1941.

## Notes on Naval Subjects.

1. (903) Personnel - changes in station. There have been numerous changes in the assignments of senior officers announced recently, and in view of the present international situation they have caused considerable speculation in the press. The shifts announced are as follows:

Admiral Koichi Shiozawa - from Commander in Chief Yokosuka Naval Station to Member of the Supreme War Council.
Admiral Shigetaro Shimada - from Commander in Chief of the Fleet in China waters to Commander in Chief, Yokosuka.
Vice Admiral Mineichi Koga to Commander in Chief of the Fleet in China waters.
Vice Admiral Eikichi Katagiri to Chief of the Naval Aviation Bureau.
Vice Admiral Nobutake Kondo from Vice Chief of the Naval General Staff to a sea command.
Vice Admiral Ikuda Sakamoto to Commander Chinkai Naval Station.
Vice Admiral Nishizo Tsukahara from command Chinkai Naval Station to the Naval General Staff.
Rear Admiral Seiichi Ito to Vice Chief of the Naval General Staff.
Rear Admiral Shiro Kawase to Commander Naval Torpedo School.
Rear Admiral Kakusaburo Makita to Commander of the Naval Landing Party in Shanghai.
Rear Admiral (Eng.) Hisatake Suzuki to President Naval Engineering School.
Rear Admiral Tokusaburo Kozumi to Director, Supplies Dept., Sasebo Naval Station.
Captain Tokuji Mori to Chief of Personal Section, Maizuru Naval Station.
Captain Takeo Ariga to Chief of General Affair Section, Hydrographic Office.
Captain Seiichi Kamata to Asst. Naval Attache at Shanghai.
Captain Shigetada Horiuchi to Chairman of the Naval Committee in the French Indo-China Special Service Corps.
Captain Katsuya Sato to the Board of Information.
Captain Hisamasu Sakonju to Naval Attache, Bangkok.

2. When Admiral Shimada returned to Tokyo on his change of station, he was given an escort of honor from the station to the Imperial Palace, where he was received in audience by the Emperor, and thence to the Navy Department.

3. (903). Last year the Navy Department promoted 27 Special Service Lieutenants to the grade of Lieutenant Commander. These men had first enlisted in the Navy shortly after the Russo-Japanese war and had over 30 years service. It was reported that the Naval authorities had accorded the honor to them in line with their policy of laying importance in long experience in engineering, gunnery, seamanship, etc.

4. (903-700). As of December last year the following schedules of money allowances were made effective. Table I is the additional money allowances to be given to naval and civilian personnel who are on duty with corps and other shore activities in China or French Indo-China. Table 2 is the allowance for crews of vessels specially despatched on guard duties to the coasts of China or French Indo-China (including Manchuria). In case the amounts should be smaller than the navigation allowances provided in table 5 of the Naval Allowance Regulations, the larger amounts shall be paid.

Table 1 - Post Allowance.

| Rank | Per Diem China: | Per Diem F.I.C.: | Rank | Per Diem :China: | Per Diem F.I.C. |
|---|---|---|---|---|---|
| Admiral | [illegible]40 | ¥16.25 | Sp.Ser.Lt(jg) | 4.10 | 4.35 |
| Vice Admiral | 13.55 | 14.25 | Sp.Ser.Ensign | 3.75 | 3.95 |
| Rear Admiral | 11.65 | 12.30 | Cadet | 2.60 | 2.80 |
| Captain | 9.80 | 10.30 | Warrant Officer | 3.05 | 3.25 |
| Commander | 7.70 | 8.10 | P.O. 1st | 1.80 | 1.85 |
| Lt-Cdr | 5.70 | 6.00 | P.O. 2nd | 1.05 | 1.10 |
| Lieutenant | 4.10 | 4.35 | P.O. 3rd | .85 | .90 |
| Lieut (jg) | 3.2[illegible] | 3.4[illegible] | Seaman 1st | .82 | .85 |
| Ensign | 3.20 | 3.2[illegible] | " 2nd | .50 | .53 |
| Sp.Ser.Lieut | 4.80 | 5.15 | " 3rd | .44 | .47 |

Table 2 - Navigation Allowance

| Rank | Per diem | Rank | Per diem |
|---|---|---|---|
| Admiral | 8.20 | Sp. Ser. Lieut (jg) | 2.30 |
| Vice Admiral | 7.20 | Sp. Ser. Ensign | 2.20 |
| Rear Admiral | 6.20 | Cadets | 1.50 |
| Captain | 5.25 | Warrant Officer | 1.85 |
| Commander | 4.2[illegible] | P.O. 1st | .85 |
| Lieut-Comdr | 3.[illegible] | P.O. 2nd | .60 |
| Lieutenant | 2.30 | P.O. 3rd | .50 |
| Lieut (jg) | 2.00 | Seaman 1st | .35 |
| Ensign | 1.85 | " 2nd | .29 |
| Sp.Ser. Lieut | 2.[illegible] | " 3rd | .25 |

5. (101) The Cabinet on 5 September decided to reorganize the Home Office administrative structure by creating two new bureaus - the Air Defense Bureau and the National Land Bureau. The salient points of the revision of the Home Office structure, which went into effect immediately, were.

(a) In order to defend the country thoroughly from raids, the planning bureau has been altered to the Air Defense Bureau.

(b) In order to see that all public works are systematized collectively and civil engineering projects are carried out pivotally, the national land bureau has been created, and the present public works bureau will take over the city and district planning now handled by the planning bureau.

(c) The whole country has been divided into 4 districts each of which will be under the jurisdiction of a district office. This will strengthen the liaison with the Central Government.

(d) In the police administration bureau the vigilance section has been created and the air defense section has been abolished.

6. (409). Scrap Iron. Japanese salvage companies are actively engaged in salvage operations in widely separated areas of the world. Recent reports indicate that they have refloated the Nippon Yusen Kaisha ship Arima Maru which sank off the coast of Peru in May, and have taken 13,000 tons of metal from the U.S. ship President Hoover which grounded and sank off Formosa. At present they are also working over the President Quezon, the Hokufu Go (1900 tons), Asn' Maru (3000 tons), the Asakuma Maru (6017 tons), a 7200 ton Panamanian ship and a Chinese freighter of unspecified tonnage.

7. (305). The Government has decided to create a Maritime Board and district maritime bureaus under the control of the Communications Office in order to place the shipping administration under unified control. The plan will be submitted to the Privy Council shortly and will be formally decided after approval.

The proposed Maritime Board will also take over the affairs now handled by the shipping and lighthouse bureaus.

The following is the outline of the organization of the Maritime Board:

The Maritime Board shall be under the control of the Communications Minister and handle affairs pertaining to the shipping and shipbuilding industries, vessel movements, sea routes, seamen, marine beacons, harbor routine, matters now handled by the lighthouse bureau, seamen's training quarters, and nautical institutions.

With respect to the execution of the Vessel Protection Law and the education of reserve naval crew members, the Navy Minister shall exercise control over the Board through its governor.

In order to unify control over harbor administration, district maritime bureaus shall be established. The bureaus shall take over the marine affairs of the communications bureau, harbor customs administration, and quarantine administration.

The director of a district maritime bureau shall also be the chief customs collector for the same district.

In order to thoroughly unify the shipping administration, special liaison shall be established between the Home and Communication Offices. Special liaison organs shall also be established in overseas territories.

Simultaneously with the establishment of the Maritime Board, the Tokyo and Kobe Nautical Colleges, 7 district nautical schools, and the navigation training school in Tokyo all of which are now under the control of the Education Office, will be transferred to the Communications Office. This means that the Taisei Maru, training ship of the Tokyo Nautical College, the Shintoku Maru, training ship of the Kobe Nautical College, the Nippon Maru and Kaio Maru, training ships of the Navigation Training School, will also be transferred to the Communications Office.

8. (505). Merchant Marine Personnel Training. On 16 September the Cabinet decided to allocate ¥19,000 out of the second reserve fund for the purpose of training officers for the merchant marine. The plan is to establish two institutes for the training of such officers, one to train middle school graduates as second mates and engineers (one year course) and the other to qualify the lower grades of ships' officers for the berths of Captains, first mates, chief engineers or first engineers. Both schools will be established somewhere in the Osaka-Kobe area.

9. (505). Drifting mines have been reported off the northern coast of Korea and in the Japan Sea, and are believed to have been laid off the entrance to Vladivostok at the outbreak of the Soviet-German war and set adrift by the storm which struck that region on 23-24 August. They are reported to be spherical in shape, about 70 cm. in diameter and weighing about 50 kilograms..

10. (505). The Tokusan Maru (5230 tons) of the Osaka Tomoye Co. was rammed and sunk off the coast of Saghalien on 4 September by the Koki Maru of the Yokohama Hashimoto Co. Eleven lives were lost. Reason reported to be poor visibility.

11. (507). Transportation and Communications. On 5 September the Cabinet adopted its transportation and communication mobilization plan for the 1941-42 fiscal year. As reported in the press, it is as follows:

The outstanding feature of the new plan is that it embraces various measures for both the mobilization of the communications and transportation facilities and control of the operation of the facilities. Hitherto the government had two separate mobilization plans for facilities themselves and also for the operation thereof.

With its two principal objects of assuring the efficient transportation of urgent vital goods and of operating all the transportation and communication facilities for national defense purposes under the principle of priorities, the plan fixes a perfect structure for transportation and communications in order to meet satisfactorily the international situation which has undergone drastic alteration recently. Under the present plan different departments of transportation and communications will be operated along with the following lines:

(a) Land transportation: Land transportation systems will be operated at the highest possible efficiency for carrying most important goods on the priority basis. Naturally, further restrictions will be placed on the transportation of general goods for civilian demand and on passengers.

(b) Maritime transportation: Transportation of vital goods will be secured giving careful consideration to the relations between land and maritime transportation. In this connection, measures will be undertaken to increase vessels, to improve stevedoring facilities in Manchukuo and effectively to utilize sailing ships.

(c) Air transportation: Execution of plans for large scale training of aviators and aviation engineers, air navigation security facilities expension will be expedited.

(d) Communications: Priorities will be given to important communications, collection of information and reports, publicity and enlightenment campaigns, while both contents of and time for general civilian messages will be restricted.

12. Honors and Ceremonies. An extra-ordinary festival of the Yasukuni Shrine will be held for six days from 15 October for the eighth time since the outbreak of the China Incident. About 15,000 war dead will be enshrined during this period.

For the fourth time since the China war started, honors were bestowed on living officers and men of the Navy who have rendered meritorious service at the front. The list included 49 officers and men below the rank of Lieutenant who were given the order of the Golden Kite.

13. In a recent article published by the Navy Publicity Section, the Japanese public was warned not to overestimate the value of Japanese submarines in a war in the Pacific. The article stated that many Japanese had been mislead by the success of the German submarine campaign against England and that opinions were being expressed that the large and efficient fleet of Japanese submarines could easily control the western Pacific. This was not the case said the article. As a matter of fact, while submarines would play an important part in the defense of home waters and in attacking enemy commerce, Japan must be prepared for considerable losses in her merchant fleet due to her extended lines of communication to French Indo China and the South Seas. The article ended by saying that the public must expect such losses.

14. Rear Admiral Hisao Matsunaga, Chief of the Oceanic Department of Japan Airways in an interview published in the newspaper "Hochi" tells the readers not to be unduly alarmed over the possibility of air raids made in Japan by ABC forces; that on the contrary the ABC governments are in a purely defensive position in the Far East and are really over-awed by Japan's strength. To quote one paragraph:

"I flew over Guam by airplane at an altitude of 3,000 meters 16 times. This year I also flew over Guam, but not a single American plane was to be seen. The general public in Japan might be thinking that Japan is encircled by the ABC line. If it were so, all things would be made clear if we

examined the actual strength of the ABC line. In this ABC line there are only 300,000 army troops, 150 warships, and 1,000 warplanes. With this limited armed force what could they do against Japan? Japan might well remain just as calm and quiet as ever."

He concluded his interview by saying:

"An American airplane of super strength even can stay in the air only as long as the time required in covering a distance of 6,000 kilometers. And for a plane to fly over to Tokyo from Kamchatka it has to cover a distance of 2,500 kilometers. This would mean that if a super strength American plane were to cover the distance and make a return trip, there would still be left a reserve strength of 1000 kilometers. But actually a plane could display only 60 percent of its power possessed. So an American super strength plane could fly actually only 3600 kilometers.

"Thus, they won't be able to return to their base even if they come from Kamchatka. Tokyo is also 3000 kilometers away away from Manila. Attacking Tokyo from Manila is apparently hopeless. And it should be borne in mind that five years ago, private pilots using an old model airplane, hopped over 4340 milometers from Tokyo to Alaska and had oil sufficient to cover 2000 additional kilometers left. This is a living example of the superiority of Japan's aviation. So long as the Japanese navy and air forces defend the country, there is absolutely no fear whatever of enemy air attacks. The most important thing is to take things easy and defend one's own self with the presence of mind".