

Document N Tokyo Vol. I

**PROBABILITY**  
*of an*  
**Outbreak of War**  
**Documents N**  
**Naval Attaché**  
**TOKYO**

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972

BT, NARS Dec. MAY 21 1973

**Volume 1**  
**Documents Numbers 1 to 57**  
(1 Feb. 1937 - 7 Nov. 1939)

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

ATTACHÉ'S REPORT

P-4-C  
4932-B

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attaché. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date Feb. 1, 1937 Serial No. 21 File No. \_\_\_\_\_  
(Common use series) (Select proper number from O. N. I. Index)

Source of information \_\_\_\_\_

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

Reference \_\_\_\_\_

NOTE:—(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.)

Reaction in Japan to the Building Programs announced by the United States.



~~SECRET~~  
E.O. 11652, Sec. 3(E) and 3(D) or (G)  
OSD letter, May 3, 1972  
By RT, NAIS Date MAY 2 1 1973

DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 3(D) or (G)  
OSD letter, May 3, 1972  
By RT, NAIS Date MAY 2 1 1973

Tech. Div.	C. in C. U. S.	Com. Sec. For.	Com. Sec. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attended at	Operations			Status	Comments	Return to Room No.
								Com. Div.	W. P.	Com. P. Tr.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for microprinting or photostating.

Report No. 21.  
Japan.  
Feb. 1, 1937.

---

Reaction in Japan to the Building Programs announced by United States.

Press articles have been frequent of late on this subject. The characteristics of the two United States battleships to be laid down, together with our proposed auxiliary building program, the construction of the Nicaraguan Canal and the building of a large mobile floating drydock have been interpreted to mean that the United States has renewed her trans-Pacific designs. Whether these press articles emanate from the Navy Department or whether they are individual expressions of opinion is not known. The more important ones are attached hereto.

Not received in Archives

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

ATTACHÉ'S REPORT C-10-1 / 11399-L

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions of above, according to subject matter.

From NA/Tokyo Date Feb. 16, 1937 Serial No. 31 File No. \_\_\_\_\_  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information \_\_\_\_\_

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

Reference \_\_\_\_\_

NOTE.—(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.)

Rear Admiral Gumpei Sekine's Address to East Asia Research Council.

2

Yach. Div.	C. in C. U. S.	Com. Bat. For.	Com. Sea. For.	C. in C. Asia	Com. B. S. S.	Com. Ad.	Attached to	Operations	Com. Div.	W. P.	Com. P. L. T.	State	Com. - course	Return to Exam. No.
------------	----------------	----------------	----------------	---------------	---------------	----------	-------------	------------	-----------	-------	---------------	-------	---------------	---------------------

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 31.  
Japan.  
Feb. 16, 1937.

Rear Admiral Gumpei Sekine's Address to East Asia Research Council.

Rear Admiral Gumpei Sekine, from 1932-35 the chief of the press section of the Publicity Bureau, returned to the same bureau in December, 1936 after one year at sea in command of battleship Ise.

On 29 January he delivered a speech before the East Asia Research Council, attended by a gathering of 500. He prefaced his arguments with a description of the "state of rivalry between European Powers", declaring that such conditions in Europe and America inevitably influenced events in the Far East.

His remarks continued as follows:

"Britain may say it has serious interests in the Far East, but there is a limit to its operations. America, however, is steadily following a policy of interfering in Far East affairs. The American psychology was shown most vividly in its attitude during the Manchurian incident. Just now the United States is building warships under a vast trans-Pacific program. It plans to build a Nicaraguan Canal and new or bigger air bases in Alaska, Hawaii and some of the South Pacific Islands.

"Great Britain is rushing its Singapore naval base to completion and is said to be looking for a site for a new base. Moreover, the conclusion of the Anglo-Soviet naval agreement has caused the British to concentrate their energy on Japan. We must prepare ourselves seriously if Japan is to be a sea Power and the Japanese race is to develop its enterprises overseas.

"We may talk about expanding our naval armaments, but there is an undeterminable limit to this. There is also a limit to the number of fleets a single commander can handle. Such fleets as Japan requires are not beyond Japanese finances. Even with no naval treaties, we need not worry. Our duty is clearly to go ahead with our preparations for overseas development.

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF  
NAVAL OPERATIONS, NAVY DEPARTMENTATTACHÉ'S REPORT 4833 C-10-2

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency to quickly disseminating information from attaché. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date Feb. 25, 1957 Serial No. 43 File No. 103-300  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

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

Reference

NOTE.—(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 Relations with Dutch East Indies Incident  
to Southward Advance Policy.

DECLASSIFIED

E.O. 11652, Sec. 3(E) and (D) or (S)

OED letter, May 3, 1972

By KT, NARS Date MAY 21 1973

3

Report No. 43.  
Japan.  
Feb. 25, 1937.

100 - Political.  
103 - International Relations.  
300 -

Japanese Relations with Dutch East Indies Incident to Southward Advance Policy.

References: (a) NA/Tokyo report No. 209-36.  
(b) " " " " 176-36.

On 17 February General Hayaashi, the Premier, in reply to an inquiry by Mr. Yukio Ozaki in the Lower House of the Diet, emphasized the new Cabinet's decision to adhere closely to the economic southward advance policy.

As one of its first steps with regard to this policy the Government has decided to send Mr. Kuwashima, newly appointed Minister to the Netherlands, to the Dutch East Indies enroute to his post for the purpose of alleviating the suspicion directed at Japan by explaining the pacific nature of Japan's southward advance policy.

Reference (a) leaves little doubt as to the interpretation placed upon Japan's policy by the Dutch East Indies. It has been reported that the Netherlands Government has decided to double its Dutch East Indies naval and air strength (see reference (b)) and the Governor General has established a state mobilization council for the purpose of preparing for mobilization in an emergency (see reference (a)). It is believed that these manifestations of alarm are not fully justified as there is no indication of possible armed Japanese aggression into the islands. On the other hand instances of economic exploitation are numerous. On the whole, however, Japan has up to the present met with but little success in acquiring economic concessions in the Dutch East Indies, due principally to the natural animosity directed against her.

It is thus surmised that in addition to placating influential quarters in the islands Mr. Kuwashima will attempt to gain some material concessions for Japan. No details of Mr. Kuwashima's instructions are published, but since it is stated that he will spend a week and a half in fulfilling his mission in the Dutch East Indies it is evident that he will do more than "clear up the existing misunderstanding of Japan's Southward Advance Policy".

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 3(D) or (2)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973



Report No. 46.  
Japan.  
Feb. 27, 1937.

900 - Navy.  
902 - Policy.  
100 - Basic Naval Policy.

Navy Policy Outlined by Navy Minister in Diet.

In answer to interpellations made to him shortly after the reopening of the Diet on 15 February Vice Admiral Yonai, the Navy Minister is attributed by the press to have replied along the following lines:

"I understand the interpellations to have covered three points, (1) Future national defense, (2) Naval appropriations after fiscal year 1937-38, and (3) maintenance of strict discipline in the ranks of the Navy".

"In my answer I should like to combine the first two points in my discussion. I interpret Japan's fundamental naval policy as being the maintenance of the minimum independent naval strength necessary to preserve peace in the Far East, in accordance with our doctrine of non-threat and non-invasion.

"I cannot in an open session give you the detailed contents of our naval construction plan or of the appropriations which it requires. I can, however, assure you that I have no idea whatever of inciting powers to a naval construction race nor harbor any intention of building up to equality with the largest naval power in the world.

The Navy appropriations for fiscal year 1937-38 submitted for your consideration are perhaps slightly smaller than those which would have been required under a continuation of treaty restrictions. I must, however, advise you that, subject to international developments, our present estimates may be increased in the future.

"I understand that the question with respect to discipline was directed principally at the Army, since allusions were made to the February 26th Army revolt and to participation of Army men in politics. With respect to the Navy I have no particular remarks to make. During my past tours of duty at naval stations and with the fleets I have always laid the greatest emphasis upon the morale of the men and have adhered strictly to the Imperial rescripts in training men. Based upon my personal experience is my firm belief that there are no grounds for concern on this question in the Navy. I will continue to maintain the closest observation over morale to insure against any breaches of discipline."

At a secret session of the plenary budget committee in the Lower House on 19 February, Vice Admiral Yonai reportedly made the following statements which were later suppressed in the only newspaper which published them, the Miyako Shimbun. The following day's edition contained an apology for having inadvertently published statements made in a secret session:

"Japan adheres to the basic principal of non-menace and non-invasion in her national defense policy. However, it is the policy of the Navy to maintain an adequate fighting strength in the Western Pacific.

"The naval ratio between Japan and America was 10-9 at the time of the Shanghai Incident. This was later reduced to 8 last year. Should nothing be done to arrest the gradual reduction in the comparative ratio, by the end of 1941 Japan's ratio would be less than 6 to America's 10.

"Concerning future naval construction, since no restricting naval treaties are in existence, we are free to choose what types of ships we wish to construct. It is the policy of the Navy to select those types best suited to Japan's needs. Besides the

construction of ships, it is hoped that the Navy will be able to expand training facilities, make special repairs to submarines, and carry out modernization of various vessels so as to construct a distinctive Navy".

Later the Navy Minister added:

"We do not see the necessity for restricting defenses in the Pacific, since aircraft have made remarkable progress in their performances in recent years".

And still later he stated:

"We do not see any necessity for becoming a party to the agreement between England, America, France and Italy on the qualitative restrictions, including that on the caliber of main batteries".

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

## ATTACHÉ'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date March 1, 1937 Serial No. 58 File No. 902-100  
(Commence new series with January 5th) (Select proper number from O. N. I. Index)

Source of information Translation from Gaiko Jihō

Subject Japan. Navy - Policy. Basic Naval Policy  
(Notation reported on) (Index title as per Index sheet) (Subtitle)

Reference \_\_\_\_\_

Remark.—(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 Third Replenishment Program - Vice Admiral I. Yamamoto,  
 Vice Minister of Navy, Radio Address.**

## DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

74.

Reading spaces below are for use by O. N. I. Check distribution of the various copies on all copies. Check each against the distribution of the copy intended for the particular destination as marked.

Director	A-B-C-D-E				Master graph	Archives	Index	C.N.O.	Com'l Board	War College	S.I.S.	Nav.	Ord.	I.S.S.	C.A.R.	Eng.	S.S.A.	M.S.S.	Aer.	U.S.M.C.	H.Q.
	B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16																				
Tech. Div.	C. in C. U. S.	Com. Sec. For.	Com. Sec. For.	C. in C. Asia	Com. S.S.S.	Com. Air	Attached to				Operations				State	Com. source	Returns to Room No.				
							Com. Dir.	W. P.	Com. P.L. Tr.												

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

U. S. GOVERNMENT PRINTING OFFICE 8-2088

Report No. 52.  
Japan.  
March 1, 1937.

900 - Navy.  
902 - Policy.  
100 - Basic Naval Policy.

The Third Replenishment Program - Vice Admiral I. Yamamoto.

Vice Minister of Navy, Radio Address.

Reference: KA/Tokyo report No. 48-37.

While the naval construction incorporated in the Third Replenishment Program for the 1937-38 fiscal year (starting 1 April 1937) has no very significant relation to building programs of foreign naval powers, nevertheless after that date Japanese naval construction will undoubtedly be influenced by those of Great Britain and the United States. Japan cannot hope to match the announced program of Great Britain ton-for-ton, but effort will be made to, at least, insure what the Japanese Navy refers to as maintenance of the stabilizing influence in the Far East.

In this connection the remarks recently made by the Vice Minister of the Navy, Vice Admiral I. Yamamoto, on a radio broadcasting circuit are of interest:

Naval Armaments in Treaty-less Period.

The Washington and London Naval Treaties had placed restrictions on Japan's naval armaments for the last 15 years expired at the end of 1936, and a treaty-less period has begun. Prior to this, her repeated efforts to correct the defects of the treaties shattered, Japan withdrew from the conference on 15 January 1936. It was claimed by Japan, at the time of her withdrawal that naval armaments should be kept at a minimum necessary for securing national defense, that they should not exceed a limit common to the signatory Powers, and that they should be such as to establish a "non-menace and non-invasion" relation between them. This claim remains to day still her principle so far as naval armaments are concerned.

As was declared by the Navy Minister at the Diet last year, though Japan was "obliged to withdraw from the naval conference, she urgently hopes that a new naval conference will be opened at an early date, and a just and rational treaty would be signed". It is her firm belief also that an unjust and irrational treaty is harmful from the standpoint of national defense, national finance and international friendship.

Upon the arrival of the treaty-less period, both America and England projected the construction of capital ships and started large-scale expansion of air forces. Particularly noteworthy are their strengthening of advance bases and establishment of air bases and air routes on and around the Pacific. On the other hand, Japan cannot overlook the recent rapid increase in strength of the Soviet Far Eastern Fleet.

The present strained international relations in Europe and complicated political affairs in the Far East increase the magnitude of Japan's responsibility as the stabilizing influence in the Far East. In order to carry out her important mission and to secure her security and future development, actual force is essential. Under the circumstances it is most urgent for Japan to formulate a minimum naval replenishment program for maintaining a navy for the purpose of national defense. Actually, this replenishment program has been drawn up within the scope of necessity that should have existed had the naval treaties remained valid. It is based upon the "non-menace and non-invasion" principle and is not at all to the extent of inducing a naval construction race. The only difference the expiration of the treaties has made is that Japan now is able to have a navy best suited to her needs and national characteristics, and that its efficiency is higher than it might otherwise have been.

~~CONFIDENTIAL~~

In advancing to the Far East, the underlying motive of England, American and Soviet Russia is principally on economic grounds.

So far as Japan is concerned, her national defense aims at safeguarding her own existence by establishing peace in the Far East. Her armaments are of an absolute nature, since upon them her national security depends. Accordingly, her navy should be of sufficient strength to repel any foreign fleet in Far Eastern waters. It should be noticed in this connection that the expenses for the naval establishment program included in the appropriations are in no way greater than they might have been had the treaties continued to be valid. Even if they had remained in existence, a considerable amount would have been necessary to cover the construction cost of capital ship replacements and vessels not included in treaty restrictions that had to be built to supplement the deficiencies in capital ship strength.

As the Imperial Navy is to be kept at the absolute minimum strength, needless to say its quality should be kept at a high standard by means of perfect morale and strict training of the naval personnel and inventive power of the nation.

Thus Japan has no intention of constructing a navy which will be a menace to other nations. She believes that they too should not take any steps towards instigating a naval construction race. However, Japan cannot but equip herself with a naval strength sufficient to defend herself, in the event that other powers plan to expand to extent of becoming a menace to her.

It is my belief that armaments should serve as a means to prevent the occurrence of a war, which is the worst disaster that can befall humanity.

~~CONFIDENTIAL~~



Report No. 78  
Japan  
March 20, 1937

100 - Political  
105 - Colonies, Mandates, Spheres  
of Influence.  
100 - Policy.

Southward Advance Policy.

References: (a) NA/Tokyo Report No. 176-36  
(b) NA/Tokyo Report No. 209-36 } *In this folder.*  
(c) NA/Tokyo Report No. 43-37

Mr. Lovink, Director of Eastern Asiatic Affairs of the Dutch East Indies Government, called on the Naval Attache on 3 March. Mr. Lovink spent about ten days in Japan, his visit being fairly well publicized, and during that time he called on the Attaches of several Embassies, and also made a few addresses at various Dutch Japanese assemblies. Before calling on the Naval Attache, he spent about two hours with the Commercial Attache of this Embassy. The object of his call on the Naval Attache is not known but from his conversation it is assumed that he desired the Naval Attache's opinion on the character of the Japanese Naval high command as to their policy in regard to supporting the Southward Advance. Mr. Lovink stated that the Dutch East Indies were now satisfied with their efforts to resist further economic penetration of Japan into those islands. He mentioned an economic "Hindenburg line" beyond which Japan would not be permitted to go. He stated that their Intelligence Service was well aware of the methods used by the Japanese and so far has encountered no difficulty in forestalling this. He expressed fear, however, that the Japanese Naval forces might make some radical move in the nature of taking possession of Dutch East Indian territory and asked the writer whether the character of the present Naval command was such as to give foundation to his fears. He expressed a desire to know what would be the action of the major powers if such a move were made. He did not mention the withdrawal of the United States from the Philippines nor of the possibility of their retention of a naval base in that area.

The Dutch Minister told the Naval Attache recently that he had very reliable and positive information to the effect that Japan now has a well equipped submarine and destroyer base at Palau. *(Palau)*



Report No. 108  
Japan  
April 17, 1937

100 - Political  
105 - Colonies, Mandates,  
Spheres of Influence.  
100 - Policy.

Japan's Southward Advance Policy

Recent developments in pursuance of Japan's much publicized southward advance policy are seen in the recently completed visit to the Netherlands East Indies of Mr. Kazuo Kuwashima, newly appointed Japanese Minister to the Netherlands, a projected two-months tour through key locations in the Southern Pacific by Admiral Seizo Kobayashi, Governor-General of Formosa, and the signing of a Japan-Dutch East Indies provisional trade agreement.

Mr. Kuwashima's visit was said to have been for the purpose of acquainting himself with conditions in the East Indies, dispelling misunderstanding in regard to the southward advance policy, and discussing Japanese-Dutch East Indies economic problems. Coincidentally with his visit, the question of Japanese-Dutch East Indies relations with particular emphasis on Japan's economic advance in the South Pacific was exhaustively discussed in the Diet. The suggestion at that time was made to lease Dutch New Guinea.

On April 10 Mr. Kuwashima returned to Japan after 40 days spent on the mission. Quotations from his interview with the press follow:

"Everywhere I found a feeling of nervousness about the Japanese southward policy. The Dutch authorities have the impression that Japan is likely to occupy the country at any time, and I believe this feeling is very disadvantageous to our relations with the Netherlands and Dutch East Indies."

"The South Sea Islands and East Indies are rich in natural resources, but we should give close consideration to our South Sea policy before stressing the southward policy too strongly."

"When I assume my post as Minister to the Netherlands, I shall initiate negotiations with the government there for abolition of the existing high tariff rates and restrictions on the entry of Japanese into the Dutch East Indies."

It was also reported that Mr. Kuwashima stated, in regard to the suggestion of leasing Dutch New Guinea, that he had been told that this area was most wild and unsuitable for exploitation.

A member of the Netherlands Legation in Tokyo recently said that although the Japanese had been drilling for oil in the East Indies now for some time, they had as yet been entirely unsuccessful in striking oil.

The Japanese Government has sanctioned a proposed two months summer trip over the South Pacific by Admiral Seizo Kobayashi, Governor-General of Formosa, on a mission to promote Japan's friendship with countries in this area and to deepen their understanding of Japan's policies toward them. This sanction is reported to have been given partly because in the last Diet session the peaceful and economic nature of Japan's southward policy was emphasized and the determination voiced to

~~CONFIDENTIAL~~

dispel misunderstanding concerning it. Admiral Kobayashi is expected first to visit the Philippines to see President Quezon. He then will proceed to the East Indies, then to the Straits Settlements where he will stop at Singapore to interview the British Governor-General. On his way back to his post, he will visit Hongkong to see Sir Andrew Caldecott, the Governor. The press reports the admiral as being particularly desirous of visiting neighboring lands because he wished to dispel the suspicion aroused by the appointment of a retired naval officer as Governor-General of Formosa.

On 9 April a provisional trade agreement was signed between Japan and the Dutch East Indies, on fundamental principles of the Japan-Dutch trade parley. The formal agreement will probably be signed at the Hague about the end of May as an addition to the present trade convention between Japan and the Netherlands. Principle terms of the agreement are:

The Batavia Government permits 25% of the imports from Japan to be handled by Japanese importers and merchants in the Dutch East Indies. Japan, on the other hand, will preferentially purchase Java sugar, but no definite amount has been announced.

COMMENT

It is only by press reports of visits such as those given above that one receives any hint of the efforts being made by Japan to secure concessions for raw materials, particularly in the Dutch East Indies. The full scope of measures instituted in the name of the southward advance policy is most intangible, but it is certain that every possible means is now being taken by Japan to wedge itself into countries in the South Pacific.

~~CONFIDENTIAL~~

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

**ATTACHÉ'S REPORT**

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date May 1, 1937 Serial No. 125 File No. 103-300  
(Commence new series each January first) (Index proper number from O. N. I. Index)

Source of information .....

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

Reference .....

Note:—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.

Soviet-Japanese Relations ~~CONFIDENTIAL~~

DECLASSIFIED  
 E.O. 11652, Sec. 2(E) and 5(D) or (E)  
 OSD letter, May 3, 1972  
 By RT, NARS Date MAY 21 1973

8

Report No. 125  
Japan  
May 1, 1937

100 - Political  
103 - International Relations  
300 - Russia

Soviet-Japanese Relations ~~CONFIDENTIAL~~

Japan, finding she has misdirected her affairs with China, is quick to sense the sinister designs of Great Britain, the U.S.S.R. and the United States in China. Particularly of interest is Japanese suspicion that Ambassador Dimitri Bogomoloff's return from the Far Eastern Conference at Moscow presages a change in Sino-Russian relations. The Soviet intention to station Naval and Air Attaches in China is taken as indicative of more than mutual interests. While Japan proposes that there are other Sino-Russian agreements (military and political) than the commercial treaty, Russia demonstrates a mutual suspicion of Japan by asking (and being refused) a definite pledge to the effect that the German-Japanese Anti-Comintern agreement comprises no secret understandings. This mutual distrust, while not unprecedented, does lend credence to the recurrent rumors that the latter agreement contains a secret annex relative to a military understanding.

A conference was held 15 April between Foreign Minister Sato and the U.S.S.R. Ambassador, Mr. Constantin Yurenev, who recently returned from the Moscow conference. Their meeting was to discuss the present strained Soviet-Japanese relations with a view toward a future conference to cover:

- (a) revision of the Fisheries Pact
- (b) establishment of a border commission for the settlement of the Manchukuo-Soviet border dispute
- (c) non-aggression pact as a counter move against the Anti-Comintern Pact.

The discussions during the second conference on the 21st were held without interpreters. Some quarters point to this as a sign of frank discussions as well as an aid to the preservation of the secrecy of the conversations. Moreover, the Three Minister Conference (Foreign-War-Navy) which preceded these discussions was called only after Mr. Yurenev had made his request for the interview. The Kokumin said, "It is noted that the attitude of the Soviets was quite unfriendly....(we) desire to show a strong front....incumbent on Japan to maintain prestige to give expression to its views in regard to defiant attitude of the Soviets.....Japan...manifesting fullest earnestness in guaranteeing peace in the Far East, must try to avoid friction with the Soviets as far as possible. In fact, the Foreign Office is understood to be of this mind." "If, however, the Soviets continue to flaunt their insincere attitude, there is no knowing what untoward incident might break out and for this reason the situation is regarded as calling for the closest caution."

A third talk is slated for this week as soon as arrangements are completed with the Manchukuo Government and the Kwantung Army.

Comment

There is no doubt that the adjustment of Soviet-Japanese relations is the most urgent issue facing Japanese diplomacy. That negotiations are resumed after being virtually abandoned with the conclusion of the Anti-Comintern Pact, shows a more conciliatory attitude. Japan is suspicious that the U.S.S.R. has some underlying motive in its peaceful proposals to nullify the efficacy of the German-Japanese pact, Russia realizes that Japan has waited too long to be able to successfully attack the maritime provinces and having practically consolidated her position in the Far East is maneuvering to break the encircling ring of the anti-comintern signatories. If Russia proposes a non-aggression pact, Japan will have to show her hand in refusing.

~~CONFIDENTIAL~~

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

ATTACHE'S REPORT *11510-V C-10-2*

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date July 21, 1937 Serial No. 218 File No. 103-300  
(Continuation same series each January first) (Select proper number from O. N. I. index)

Source of information .....

Subject Japan Political - International China  
(Nation reported on) (Index title as per index relations) (Subject)

Reference .....

Summary.—(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.)

~~CONFIDENTIAL~~  
North China situation.



9

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 6(D) or (B)

OSD letter, May 2 1972

MAY 21 1973

by RT, NARS Data

Task Div.	C. in C. U. S.	Com. Mat. For.	Com. Sta. For.	C. in C. Asia	Com. S. E. A.	Com. Air	Attended at	Operations			Status	Comments	Return to Bureau No.
								Com. Div.	W. P.	Com. P. L. Tr.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit v of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. <sup>218</sup> 800  
Japan  
July 21, 1937

100 - Political  
103 - International Relations  
300 - China

North China Situation

~~CONFIDENTIAL~~

There is much speculation as to what is back of the recent armed clashes in North China. Foreign correspondents and commentators are generally of the opinion that it has been motivated by Japan. Several Naval Attaches hold similar opinions. Such have been expressed as follows:

Many circumstances point to the fact that the present trouble in North China was either instigated by the Japanese or that they are using the incidents to further their aims and ambitions in that area.

Reviewing briefly Sino-Japanese relations during the past ten months: Numerous anti-Japanese incidents through China led to Diplomatic parleys with the result that a stalemate occurred which was not to Japanese liking. The Hirota Cabinet fell. Mr. Sato, Foreign Minister in the new Cabinet, uttered some very conciliatory statements towards China which caused wrath in Parliament, in the press and to a certain extent among the public. When the Cabinet of which he was a member resigned last June, a new Cabinet was formed under Prince Konoe. Unsuccessful attempts to draw the latter into the political arena had frequently been made in the past. There is no question but that he had been groomed for just such an occasion as had now arisen. Sino-Japanese relations were completely unsatisfactory in so far as Japan was concerned. Prince Konoe quietly and quickly formed his Cabinet. His resort to the telephone for this purpose was an added indication of a pre-arranged plan. It was done with such dispatch and manifest concurrence of the Army (and Navy) that there is little doubt but that Japan's action in the present situation had been determined beforehand. Political parties, the press, financial and industrial interests gave almost unanimous approval to Prince Konoe's selection as Premier, of the personnel of his Cabinet, and of his statement that policies would not be broadcasted at the moment but would be announced as the issues arose.

With the advent of the first clash in North China, July 7th, there was no great outburst of indignation in the press. As further clashes occurred, the lack of hysteria, etc. indicated that the press had been throttled and the political parties had been taken into the confidence of the Government and were fully conversant with what was going on behind the scenes. Military, Naval, financial and economic preparations were made quickly and quietly. As the situation in North China developed, close attention was focussed on foreign reactions. Soviet strength had previously been tested by the Amur incident. Soviet Russia's ready acquiescence to Japanese demands at that time tended to prove that the recent purge had rendered it more or less impotent. Germany was already tied to Japan with last fall's anti-Comintern pact. The Spanish situation engrossed the attention of England, especially the Mediterranean threat. France was having political, economic and financial difficulties. The United States had declared her good neighbor policy with an avowed determination for neutrality in any and every case of impending war. She was also involved in serious labor troubles and the political situation in that country appeared far from serene. Intervention by foreign powers appeared remote and very much less a possibility than in 1931. The time was now ripe for Japan to go ahead with her avowed intention of setting up an autonomous regime in North China, consisting of the five northern provinces.

~~Confidential~~

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

ATTACHE'S REPORT 2462  
3-8-c

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Dec. 22, 1937. Serial No. 325 File No. \_\_\_\_\_

(Complete new entries each January first)

(Submit proper number from O. N. I. Index)

Source of information \_\_\_\_\_

Subject Japan \_\_\_\_\_

(Indicate reported on)

(Indicate title or per index sheet)

(Substitute)

Reference \_\_\_\_\_

Note.—(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 matters, and the gist of the report.)

~~\_\_\_\_\_~~

PANAY Bombing

~~CONFIDENTIAL~~

(c)

OFFICE OF  
NAVAL INTELLIGENCE  
RECEIVED



JAN 11 1938

10

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 6(D) or (3)

OSD letter, May 3, 1972

By RT, NANS D. MAY 2 1 1973

S-11, S-12, S-14, S-15, S-16		graph	sketch	map	photo	board	collage	R.L.S.	INT.	INT.	L.S.S.	L.S.S.	imp.	R.S.A.	R.S.S.	auth.	M.C.	R.G.
Task	C. in C.	Com.	Com.	C. in C.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.	Com.
Dist.	U. S.	Nav. Dept.	Nav. Dept.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.	Adm.
Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of drawings, sketches of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.																		

Report No. 325  
Japan  
December 22, 1937

~~CONFIDENTIAL~~

PANAY Bombing

According to a notification circulated 9 December 1937 in the Shanghai Consular and Diplomatic circles through the Japanese Consulate General and Embassy: (Appendix A - clipping from North China Daily News, issue of 10 December 1937 - original only)

"The Imperial Japanese Forces firmly subscribing to the principle of respecting the rights and interests of the third powers .... sincerely hope that the Third Powers will ungrudgingly cooperate in the efforts of the Imperial Japanese Forces by keeping or removing their ships and vehicles, government owned or otherwise, as far away as possible from Chinese troops .... Imperial Japanese forces will do utmost to respect foreign ships and vehicles to be found in and around the zone of fighting but in case no cooperation is forthcoming from the Third Powers, ..... the Japanese forces are not in a position to ensure the security of such ships and vehicles and cannot be held responsible for whatever consequences that may involve them.

On 2 December the Naval Attache informed the Japanese Navy Department that the U.S.S. PANAY and some of the staff of the American Embassy were at Nanking. (Appendix B). This was acknowledged by the Navy Department on 5 December. (Appendix C).

On the morning of 13 December the Naval Attache called on the Junior Aide at the Navy Department (the Senior Aide being occupied in an "important conference" all morning) and delivered a notification with reference to shell fire falling near the PANAY on December 11 causing it to move up the river and with reference to Commander Yangtze Patrol being unable to contact the PANAY after 1335 on 12 December. (Appendix D).

At about 1430 on 13 December the Senior Aide called on the Naval Attache with information that the U.S.S. PANAY had been bombed and sunk by Japanese Naval planes and expressed the Navy Minister's "sincere regrets .... at this unhappy incident". (Appendix E).

The American Consul General at Shanghai communicated by telephone with the Japanese Embassy at Shanghai through the Japanese Consul General a few minutes after 1230 on 12 December giving them the position of the PANAY on the forenoon of 12 December (27 miles above Nanking) together with an indication of her further movements either up or down river. Within thirty minutes he confirmed his conversation by letter handed to a Japanese Consular messenger. The Japanese Consul General acknowledged the receipt of the above by letter dated 12 December stating that the necessary information was immediately transmitted to the Japanese military and naval authorities, as well as to the Ambassador. (See Appendix D - received by American Embassy Tokyo morning of 13 December).

~~CONFIDENTIAL~~

At 1015 December 12th while the PANAY was at mileage 216 above Woosung (a point 5 miles below where the PANAY was bombed) a Japanese motor launch 40 feet long, clinker construction, engine amidships, light machine gun in bow protected by steel shields, containing 20 armed Japanese soldiers under the command of Lieutenant Yo Marakami, came alongside. Lieutenant Marakami came on board with four soldiers and exchanged cards with the Commanding Officer, U.S.S. PANAY. The former asked the purpose and destination of the PANAY, inquired as to the state of the Chinese lines, and asked the Captain if he would come ashore, an invitation the latter politely refused.

The U.S.S. PANAY was bombed at 1:30 p.m. December 12th while at anchor 27 or 29 miles above Nanking. S.S. MEIHSIA 500 feet ahead, S.S. MEIPING 300 feet off MEIHSIA's starboard quarter, S.S. MEIAN 700 feet astern PANAY. All vessels flying American flags, merchant vessels forward and aft; PANAY aft, and painted horizontally on PANAY's awnings and on superstructure of merchant vessels.

At least six planes attacked from an altitude of not more than 1000 feet, dived in succession, dropped twenty 100 lb. bombs, four or five direct hits on PANAY; MEIPING hit two or three times during first bombing. Believed other steamers hit also.

All four vessels were machine gunned by attacking planes, personnel suffering gun shot wounds. Lieutenant Commander Hughes and the other wounded sent ashore in ship's boat. This boat was machine gunned by plane(s) and two men wounded. PANAY abandoned at 1405.

After PANAY was abandoned and was settling by the bow, two Japanese Army motor boats came down river, machine gunned vessel with several bursts, and then boarded it for about five minutes, then departed. PANAY's colors flying in full view until vessel sank at 1554 in 30 fathoms.

Foreign Ministry spokesman stated that low visibility prevented determination of nationality but admitted planes were flying at fairly low altitude.

Spokesman for Admiral Hasegawa stated that four vessels were proceeding up river at 4 knots; one plane flew at 300 meters (below 1000 feet) to ascertain nationality but was unable to do so. At 1325 three bombers attacked and set vessels on fire. At 1330 six fighting planes sank one vessel. At 1340 six bombers damaged one vessel. At 1830 two bombers sank two vessels.

Although it might be sheer coincidence, it is interesting to note that in the Official Gazette issued the 13th of December, Article 27 of the newspaper law was invoked to proclaim a press ban on "news likely to affect diplomatic relations". (Appendix 3)

All newspapers were informed 13 December that the above ban was effective for all news on the PANAY incident until 1600, and thereafter items, except official Foreign Office or Naval spokesman statements, were strictly prohibited. The above spokesmen's versions were inconspicuously printed in all vernacular papers (Appendix G - press clippings, original only) overshadowed by columns and pictures of Nanking's fall.

In the statement by the Navy press section of the Imperial Headquarters issued 2100 December 13 appeared the contradictory item:

~~CONFIDENTIAL~~

: \*Several other Japanese Naval planes  
 : also discovered four steamers at a  
 : point about 26 miles up river from  
 : Nanking at about 2:25 p.m. and bombed  
 : them with the result that one was sunk  
 : and three others set ablaze. According  
 : to the reports received, the Japanese  
 : naval aviators did not observe any  
 : national flags on the steamers, they  
 : saw many people, apparently Chinese  
 : troops, on board, and that they were  
 : fired on by one of the vessels which  
 : was painted white." (Evidently the  
 : altitude was low enough or visibility  
 : clear enough to distinguish "apparent-  
 : ly Chinese troops" but insuffici-  
 : ent to recognize American national  
 : flags, flying and spread or painted  
 : on deck.)

Patrol boats started back up  
 river then headed toward point  
 where the PANAY's crew were hidden  
 on shore; apparently not seeing  
 them, they departed up river.

Japanese planes then appeared  
 over survivors who were then hid-  
 den in the reeds; one plane kept  
 circling overhead.

Meanwhile the burning MEIPING  
 headed first toward the north shore  
 but because of machine gun fire  
 turned to and was beached on the  
 south bank. When the MEIPING came  
 to the south bank about 100 Japanese  
 soldiers ordered the crew ashore,  
 questioned them and then ordered  
 them back aboard. Immediately  
 thereafter six planes bombed MEIPING  
 and MEHSIA at low altitude, re-  
 sulting in large fires on both.  
 MEKIAN remained along the north  
 shore.

(The above is a composite of  
 the official reports made by  
 Mr. George Atcheson - American  
 Embassy, Nanking.)

: On December 15 the Senior Aide to  
 : the Navy Minister called and informed  
 : the Naval Attache that the Commander  
 : of the Naval Air Corps in the Shang-  
 : hai vicinity, as the officer respon-  
 : sible for the incident, had been  
 : ordered to a certain post in home  
 : waters (Appendix H). This officer  
 : was said to be Rear Admiral Mitsunami  
 : (Appendix I) which was substantiated  
 : by the Senior Aide (Appendix J) who  
 : denied a Japanese launch machine  
 : gunned the survivors of the PANAY.  
 : (Appendices J and K). In the latter,  
 : it would seem that the Naval authori-  
 : ties knew Mr. McDonald (Whose dispatc  
 : to the London Times was criticized)  
 : was a survivor of the PANAY.

: The statement on 20 December by  
 : the Senior Aide to the Naval Attache  
 : (Appendix L) still leaves many per-  
 : tinent points unexplained.

: The local English language news-  
 : papers on 20-21 December carried the  
 : Foreign Office spokesman's statement  
 : regarding the machine gunning and  
 : boarding of the PANAY by Japanese  
 : military forces (Appendix M) which  
 : was later partly repudiated and  
 : altered by the Army in their state-  
 : ment issued 22 December (Appendix N)  
 : denying Army craft had machine gunned  
 : the PANAY, asserting Army forces  
 : ashore and afloat had machine gunned  
 : a Chinese vessel, the "LITA". "It  
 : is supposed that the allegation of  
 : shooting at the PANAY was made by  
 : those who mistook the shooting at the  
 : Chinese vessel and it is also supposed  
 : that there might have been stray  
 : bullets flying toward the PANAY".  
 : (Appendix N).

~~CONFIDENTIAL~~

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

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date Jan. 8, 1950 Serial No. B File No. \_\_\_\_\_  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information \_\_\_\_\_

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

Reference

Note—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 BOMB Bombing (Continued)

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 3(D) or (C)

OSD letter, May 1972  
 MAY 21 1973

By RT, NARS Date \_\_\_\_\_

Routing copies below are for use by O. N. I. Check distribution of the carbon copies on all copies. Check circle around the distribution of the copy intended for the particular distribution as required.

Division	A-B-C-D-E										Man- graph	In- dices	Budget	C.H.O.	Com- mand	War College	N.I.S.	Nav.	Oid.	T.S.S.	C.S.R.	Eng.	S.S.I.	M.S.S.	Aero.	U.S. M.C.	H.O.
	B-1	B-2	B-3	B-4	B-10	B-11	B-12	B-13	B-14	B-15																	
Task Div.	C. in C. U. S.	Com. Int. For.	Com. Sec. For.	C. in C. Asia	Com. S. S. A.	Com. As	Attached at	Operations				Com. Div.	W. P.	Com. J. T.	Spec.	Com- mence	Return to Room No.										

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 5  
Japan  
January 6, 1937

The PAKAY Bombing (Continued)

Reference: RA/Tokyo Report No. 325-37 of December 22nd.

On 23 December an informal conference was held at the American Embassy to give the Japanese naval and military representatives an opportunity to report the results of their investigations.

A translation of the reports of investigation by the Japanese Army and Navy and a copy of the minutes of the above conference have been forwarded to Office of Naval Intelligence and to the Commander-in-Chief, Asiatic Fleet. (The latter, sent 23 December through the courtesy of the Navy Department via naval plane to Shanghai, was delivered 6 January 1938 after being "lost" in the Shanghai post office.)

While the English language newspapers printed both Lieutenant-Commander J.J. Hughes' report and the report of the Court of Inquiry into the sinking of the PAKAY, the vernacular press printed only fragments of the above, deleting all details or facts reflecting on Japanese forces or tending to relate the aggravated circumstances of the attack.

With the American acceptance of the Japanese notes on the PAKAY affair, the vernacular press editorially expressed their satisfaction and relief:

ASAHY: "Delicate incident settled - Japan's apologies satisfied American officials and people who value openheartedness and candor. Important factor was United States Government and public opinion refusing to be influenced by a certain country. ---- undoubtedly there will be a strengthening of (our) policy to show full respect for foreign interests in China as a result ----".

NICHI NICHI: "---a felicitous matter for both countries and the world at large --- generosity, understanding and cool judgement of the United States Government and people --- 'after a storm comes calm', and we expect that Japanese-American relations will be more intimate than ever."

YOMIURI: "Clouded relations between the two countries has been removed. The cool and fair attitude of the United States must be appreciated by Japan. We hope that both countries will do their best to see that there are no more incidents".

KOKUMIN: "The solution was made possible by Japan's agreement (to United States note); put another way, by Japan's submission to the United States. The relations between Japan and the United States have taken a favorable turn --- the program of the (Chinese) national government to use the United States to protract the hostilities has come to nothing and that of Great Britain to have the United States take concerted action in the Far East has ended in failure."

CHUGAI: "...Amicable settlement through American appreciation of Japan's open-hearted note a matter of congratulation."

"The officers and men at the front operate on the assumption that all about them are hostile --- be to interest of third countries to keep away from area of hostilities. At

the same time we want the Japanese military authorities to use more care not to make mistakes."

MIYAKO: "Incident settled amicably - mutual congratulations. Those who took advantage of the PANAY Incident were Great Britain and China. The former tried to induce the United States to take joint action against Japan; the latter counted heavily on such action in hope that it would swing the tide in its favor. The Chinese spread reckless propaganda designed to set Great Britain and the United States against Japan. The United States too wise to be swayed by it --- disappointment of Britain and China can well be imagined."

On 27 December, the Senior Aide to the Navy Minister orally informed the Naval Attache of the message from the Navy Minister and Chief of Naval General Staff to the Commander-in-Chief of the China Area Fleet, and the latter's reply thereto.

In response to a request for a translation of the above the Senior Aide on 28 December forwarded copies of the communications. Appendix (A) and (C). Translations of these were made in this office. Appendix (B) and (D).

In response to a telegraphic request from the Secretary of State, the Naval Attache on 31 December made a request through the Senior Aide to the Navy Minister for permission to make public (in Washington) these communications. At this time the Senior Aide approved the above translations (Appendices B and D) as proper. He also stated that he believed there would be no objection to public announcement of the above communications and would make reply later that date after a consultation with the "proper authorities". The Junior Aide to the Navy Minister phoned in the afternoon with reference to the above request and stated that the Navy Department was sorry but it "was inconvenient" to permit the contents of the telegrams to be announced. However, a brief statement along the following tenor was agreeable:

"That the Navy Minister and Chief of Naval General Staff sent a telegram to Admiral Hasegawa, the Commander-in-Chief of the China Area Fleet, to the effect that steps should be taken to ensure future safety of American lives and property. That Admiral Hasegawa replied acknowledging the above and reporting that he had done so".

1

海軍大臣、軍令部總長等  
支那方面艦隊司令官宛

電報

帝國政府及現地ニ於テハ軍需前ノ適切ナル處置ト米國官憲ノ冷靜ナル態  
トニ依リ米艦「バネ」號事件圓滿ニ解決ヲ見セシメ至リタル八日米兩國  
親交關係ニ鑑ミ大ニ欣中トカスルコトナリ  
然レトモ本事件、莫ク解決ハ將來米國人ノ生命財產及米國ノ權益ヲ侵害  
セシメテ關スル帝國政府、保證ヲ重切ニシヤ否ヤニ在リ之カ實行ノ能否、  
帝國海軍、威信甚クハ帝國ノ信用ニ關スル重大問題ニ付テハ軍官ハ  
一層部下ヲ智勵シ此種事件、防止ニ萬端畢テモ期スベシ

APPENDIX (A)

支那方面艦隊司令官宛

海軍大臣、軍令部總長等 宛

電報

「バネ」號事件圓滿解決ノ御認定、拜受シ茲ニ錯誤ニ依リ本事件ヲ  
急起シテ八痛ク宸襟ヲ悩ム奉リテ政府及國民、心勞ヲ大ニシタリ奉リ  
恐懼ニトモ、將來米國民、生命財產及米國權益、侵害セシメテ關スル  
帝國政府、保證ニ對シテ八艦隊科兵一同更ニ一層慎重ニ努力ヲ以テ作戰ニ  
從事シ以テ過誤ヲ再モセシム事ヲ期ス

APPENDIX (C)

Translation of Telegram from the Naval Minister and Chief of General Staff to the Commander-in-Chief of the Fleet in China.

It is most gratifying, from the point of view of the friendly relations between the United States and Japan, that the PERRY incident has been amicably settled because of the appropriate measures taken by the Imperial Government and the Headquarters at the front, and of the calm attitude on the part of the American authorities.

In view of the fact, however, that the true settlement of the said incident lies in that whether or not the Imperial Government should abide by its guarantee to respect in the future the American lives, properties, and interests, and also that since it is a serious matter, upon our ability or inability of fulfillment of which depend the dignity of the Imperial Navy and even the prestige of the Empire, Your Excellency is expected to further urge your subordinates to take thorough precautions for the prevention of a similar incident.

APPENDIX (B)

Translation of Telegram from Commander-in-Chief of the Fleet  
in China to the Naval Minister and Chief of the General Staff.

In receiving His Highness' and His Excellency's kind message informing us of the amicable settlement of the PANAY Incident, our trepidation is deepened for giving anxiety to His Majesty and aggravating the concern of the Government and the People with the incident caused by our blunder.

As for the Imperial Government's guarantee to respect in future American lives, properties, and interests, the officers and men of the Fleet are determined to engage in operations with greater caution so as not to repeat similar blunders.

APPENDIX (D)

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

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date Jan. 14, 1938 Serial No. 9 File No. \_\_\_\_\_  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

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

Reference \_\_\_\_\_

Remark.—(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 Press Comment relative to U.S. Naval Building Plan.

DECLASSIFIED

E.O. 11652, Sec. 2(E) and 2(D) or (E)

OSD letter, May 3, 1972

by RT, NARS Date MAY 21 1973

B-12, B-13, B-14, B-15, B-16

Tech. Div.	C. in C. U. S.	Com. Int. Aff.	Com. Sec. Aff.	C. in C. Asia	Com. S. E. A.	Com. Air	Attache at	Operations				State	Com. Int.	Returns to Source No.
								Can. Div.	W. P.	Com. P. T.				

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 9-38  
Japan  
January 14, 1938

Japanese Press Comment relative to U.S. Naval Building Plan.

KOKUMIN

"United States plans armament expansion .... with Japan as chief objective .... would seem natural but not at all pleasing to the Japanese nation.

"Present American economic depression is largely .... failure of New Deal policy .... and has furnished Roosevelt administration good excuse for big armament expansion as immediate relief work.

"The United States which has been insisting on naval parity with Britain is sure to use the newly announced British warship construction program for the construction of more tonnage."

YOMIURI

"America's new policy is an entirely new departure from the old policy .... which has been consistently for disarmament and world peace.... Evidently this new naval expansion of the United States has been given stimulus by the gigantic naval expansion program of Great Britain .... Indications show a secret understanding (U.S.-Great Britain) for checking Japan's naval construction program by restricting export of steel to Japan. British Commercial Ministry already pigeon-holed applications from British merchants for export of steel and other naval materials to Japan."

MIYAKO

"Largest peace-time figure in the United States .... large part of the money will be spent on strengthening defenses in the Pacific .... United States bent on doing all it can to maintain balance of power in the Pacific .... We see need to be on the lookout for future intentions of the United States ....

"We are almost sure that Great Britain like the United States will speedily strengthen its position in the Far East. There is need for Japan to be ready to counteract Britain and the United States, in close concert, extending their influence in the Pacific .... there is no reason why this country should accept a position of inferiority to them in naval strength. We cannot match every vessel built by such wealthy countries as the United States or Britain but it is up to us to manage to possess a strength in ships on which we may depend commensurate with our national power."

HOCHI

".... with present naval strength (building and completed) the United States is a menace to the world .... and yet the United States Government is now planning a further naval expansion .... contradicting President Roosevelt's stresses of importance of international peace. As for proposed Naval Air Base in San Francisco Bay (a dagger pointed at the heart of Japan) .... this is to be regretted from the standpoint of Peace in the Pacific .... we earnestly hope the United States authorities will soon rectify their mistaken policy."

ASAHI

"America's announced huge naval construction ... planned to counter Britain's gigantic naval expansion program ... But we wonder how the United States and Britain will man the vessels built under programs conceived on such short notice .... takes five to six years to turn out a full-fledged sailor and ten to fifteen years to train an officer ... hence we believe they will encounter difficulties .... We must pay close attention to tendency of United States and Britain to act in concert in planning their increases of naval strength."

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

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attaché. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date Jan. 20, 1938 Serial No. 15 File No. 902-100  
(Commence new series each January 1st) (Index report number from O. N. I. Index)

Source of information \_\_\_\_\_

Subject Japan. Navy - Policy. Basic Naval Policy.  
(Station reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

NOTE:—(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.)

~~CONFIDENTIAL~~

Third Replenishment Program (Capital Ship Construction).

DECLASSIFIED

E.O. 11652, Sec. 2(E) and 8(D) or (S)

OSD letter, May 2, 1972

By NT, NASS Date MAY 21 1973

13

Task Div.	C. in C. U. S.	Com. Bat. For.	Com. Bat. For.	C. in C. Asia	Com. R. S. S.	Com. Air	Attended at	Operations	Com. Dir.	W. P.	Com. J. P.	State	Com. Mater.	Return to Source No.
-----------	----------------	----------------	----------------	---------------	---------------	----------	-------------	------------	-----------	-------	------------	-------	-------------	----------------------

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of sketches, carbons of sketches, etc., where practical. If practical, submit sketches in suitable style for blueprinting or photostating.

Report No. 15.  
Japan.  
January 20, 1938.

900 - Navy.  
902 - Policy.  
100 - Basic Naval Policy.

Third Replenishment Program (Capital Ship Construction).

Since arrival in Tokyo seventeen months ago, the Naval Attaché has been endeavoring to obtain definite information of Japan's Third Replenishment Program. No authentic sources of information have been or are available. In January 1936, the Navy announced that "on the termination of the Washington and London Treaties one year hence no announcement of new construction will be obliged to be made and that therefore every effort will be exerted to keep characteristics of new ships from becoming known". That they have attained a great degree of success in their efforts is evident. So far as known, other attachés' knowledge of Japan's present building program is based upon surmise as to the meaning of the many statements made by High Naval authorities, estimates of Japan's requirements and conjecture as to the probable types to fulfill those needs. Undoubtedly, there have been leaks in the form of unguarded statements now and then from officers of lower rank and, possibly, information has been supplied by the Japanese Naval authorities to representatives of the two countries now allied with Japan.

Based upon all the above sources, the Naval Attaché has been of the opinion during the past year that Japan has laid down two capital ships not greatly exceeding 35,000 tons in size and mounting 16 inch guns. In view, however, of the persistent reports from abroad, particularly Italy, that Japan has under construction more than two battleships considerably greater than 35,000 tons in size but mounting no larger than 16 inches, it is considered an opportune time to review information upon which reports from this office have been submitted.

On May 14, 1936, my predecessor stated (NA/Tokyo report No. 122-36) that "Foreign Naval Attachés in Tokyo firmly believe that the Japanese Navy has gone to the extent of starting plans for battleships ranging from 45,000 to 55,000 tons". Several reasons were given to support that conclusion.

On May 11, 1936 (see report No. 149-36) the Navy Minister is reported to have spoken as follows to a secret session of the Diet:

"The Japanese Navy wishes to possess a naval strength equal to that of any power's fleet which could be formed in the Western Pacific for the purpose of attacking Japan. For defense against such a hypothetical enemy fleet adequate defensive preparations and naval bases are also necessary.

"The possession of an equal strength referred to above does not mean having a numerically equal force, ship for ship. As a result of the coming no-treaty period we shall enjoy freedom of action in construction of warships in respect to category, quality and characteristics. With this freedom we may construct those ships particularly adapted for our national requirements, thereby gaining an advantage which obviates the necessity for numerical equality".

On June 24, 1936, my predecessor stated (see NA/Tokyo report No. 157-36) that "If the Japanese Navy becomes assured of the necessity of building capital ships, she will doubtless not hesitate to build large ships of at least 35,000 tons mounting 16 inch guns".

~~CONFIDENTIAL~~

On July 10, 1936, my predecessor reported (NA/Tokyo report No. 174-36) to the effect that the indications were that Japan would not adhere to the treaty restrictions of a 35,000 ton, 14inch gun ship.

On December 16, 1936, the Navy Minister (See NA/Tokyo report No. 325-36) gave the following explanation to the Diet of the Third Replenishment Program:

"The new construction plan is not aimed at attaining quantitative parity with the United States or British naval strength. It seeks to build up a Fleet for the national circumstances and national traits at minimum cost.

"A period of unrestricted naval armaments will start with the new year. Japan rejected the recent London Naval Treaty to which the United States, Great Britain and France are signatories. This treaty provides for an exchange of notification of items of construction to be undertaken in the current year, but it does not call for the disclosure of the signatories' entire construction plans. Consequently there will be considerable maintenance of secrecy with regard to each power's plans. Japan, on her part, intends to preserve complete secrecy and therefore Diet members are requested to cooperate during the next session in preventing any leakage of information".

In the same report the opinion of several Naval Attachés was given as being that Japan would not revert to the 14 inch gun, that construction of one or more battleships, possibly as large as 50,000 tons would be undertaken and that there was an unconfirmed report that Japan was experimenting with an 18 inch gun.

On December 30, 1936, it was stated in NA/Tokyo report No. 336-36 that the Naval Attachés were in agreement upon four points. Also, each Naval Attaché's opinion of Japan's building program was given with comment to the effect that it was not known how much of the expressed opinions were based upon direct information, but that very possibly that Naval Attachés were influenced by statements of the Navy Minister. Nevertheless even prior to that time it was the consensus of opinion that Japan would not revert to the 14-inch gun nor limit the size to 35,000 tons.

On January 22, 1937 (see report No. 9-37) an analysis of the budget figure for warship construction was made in relation to per ton cost of various types, from which a hypothetical program was arrived at.

On February 13, 1937 (Report No. 27-37) the opinion of the Soviet Naval Attaché was given of the Third Replenishment Program which approximated the previously mentioned hypothetical program. Also, that it had been unwittingly disclosed by an officer of the rank of Lieutenant Commander that an 18-inch gun was being built at Muroran for test.

Report No. 44-37 of February 26, 1937, quoted extracts from a Japanese publication on the Japanese 8-8 Program of 1917 in which, as is well known, vessels as large as 48,000 tons mounting 18-inch guns were under consideration.

Reports Nos. 48, 52, 85, 149 and 181-37 were chiefly given to pertinent remarks made by the Navy Minister, Navy Vice Minister and statements by the Aide to the Navy Minister as regards the Third Replenishment Program and particularly as to the size of capital ships and gun calibers.

~~CONFIDENTIAL~~

Reports Nos. 182 of June 26, 1937, 240 of September 3, 1937, and 282 of October 29, 1937, dwell upon the persistent reports among Naval Attachés of capital ships larger than 40,000 tons and mounting 16-inch guns having been laid down, one at Kure and one at Kobe, together with the Naval Attaché's conclusions as a result of his observations at Kobe.

The above is a resumé of reports from this office to date on Japan's new capital ships. The following interesting information has just come to hand:

Mr. Masanori Ito, formerly Managing Editor of the Jiji newspaper and an "expert on naval affairs", predicted in the January 1936 issue of the Magazine "Kaizo" that Japan's new battleships would be of 50,000 tons mounting 18-inch guns. He also stated that in his opinion Japan would, in 1937, commence construction of battleships to bring her total to 12 or even 16 if Britain and America undertook large programs. He based his conclusions on an analysis of the 8-8 building program, interrupted by the Washington Treaty, stating that "Foreign sources" had reported battle cruiser No. 8 (not laid down) as of 48,000 tons, mounting eight 18-inch guns with a speed of 35 knots and that, with the advance of technical and military science since that time, such conclusions could not be far from wrong. In an article in the April 1936 issue of the same magazine, Mr. Ito predicted: "It is highly questionable whether Japan will rest assured with the construction of one battleship to replace the Kongo if new battleships are laid down by her two rivals."

When the substance of Mr. Ito's January article was published in America and other foreign countries, the author was called to the Navy Department and severely criticized for unwittingly disclosing National Secrets. He countered by showing that the Navy Department had approved his manuscript. Later a junior officer of the Press Section was detached in disgrace.

The source from which the above information was obtained had himself sent to his news agency the Okamura ("Contemporary Opinions") translation of the January article. He was later called to the Navy Department and given to understand that:

- (a) The Navy Department had received a long telegram from Washington reporting the article's appearance and prominence given.
- (b) His forwarding of the above translated article was a violation in spirit of his position here by placing Japan in a controversial position.
- (c) He had no right to send in the article as it was intended for local consumption only. When the correspondent protested that he had only sent a Public Translation Service's document which was in English, the Navy Department representative became angry and said in effect that there was under consideration a law (present National Secrets Law) which, when effective, would provide punishment for such acts.

Subsequently, he was told by a Japanese newspaper correspondent having good connections with the Press Section of the Navy Department, that, upon the recommendation of the Naval Attaché in Washington, Mr. Ito had been severely reprimanded and strictly cautioned by the Naval authorities against "careless writing" in the future. (Mr. Ito's April article was his last article on Naval subjects).

In an article "Imperial Warships Today and Tomorrow" by Mr. Gentaro Matsumoto, appearing in the January 1938 issue of the magazine "Sea and Air", it was stated: "In view of the building programs of Great Britain and America, I cannot believe the Imperial Navy will not build new battleships..... I think the replacement of the Kongo,

Herona, Kirishima (exceeded twenty years in 1935) and Fuso (exceeded twenty years in 1935) will be necessary for national defense and possible within the budget. If the Imperial Navy does construct battleships, whether they be 14-inch, or stealing a march, 16-inch gun ships..... they will outstrip those of either England or America.... because it is evident that, in view of the 48,000 ton battlecruiser mounting 18-inch guns in our past 8-8 program, the Imperial Navy has the actual ability to build the strongest battleships in the world".

Under Washington date line of December 11, 1937, the New York Times referred to an article in the November 7 issue of the Giornale d'Italia which stated that three 48,000 ton battleships mounting 16-inch guns were being constructed in Japanese yards. The Italian Naval Attaché told me today that he had positive information Japan laid down at Kure last November two 48,000 ton battleships mounting twelve 16-inch guns in triple turrets with twelve 100 mm anti-aircraft guns designed for a speed of 29 knots. Two additional battleships of similar size would be laid down mounting ten 16-inch guns in double gun turrets, but increasing the anti-aircraft armament to sixteen or more 120 mm. guns and the speed to 30 knots. The tonnage of these battleships may later, if necessary, be increased to 50,000 tons. The 18-inch gun under test at Muroran had proved unsuccessful.

In contradiction to this, a foreign Naval Officer, whose opinions are not valued any too highly, stated that he had reliable information Japan was commencing construction of 50,000 ton capital ships mounting 18-inch guns, which caliber of gun had been tested successfully at Muroran.

Naval Attachés now believe as follows:

British:

Japan has laid down two 45,000 ton battleships, one at Yokosuka and one at Kure, mounting 16-inch guns. These will probably be followed shortly by another similar one at Sasebo where alterations to No. 1 dock, completed last November, make it capable of taking a ship of 50,000 tons. He also believes as does the Soviet Naval Attaché that Japan's tactical organization requires units of four and for that reason a fourth homogeneous ship will eventually be built. Private yards will not be used for capital ship construction if such can be avoided. Kawasaki, Kobe, and Mitsubishi, Nagasaki are, however, capable of such work. The lack of reported cruiser construction may indicate that the Japanese are going to rely upon aircraft, particularly shore-based, for certain cruiser functions.

Comment:

The trend of Japan's air development and strategy (as reported in NA/Tokyo report No. 227-37) supports that assumption. If such is the case the Navy Minister meant what he said about Japan building a Navy for "non-menace and non-aggression" of the types best suited for its needs and possessing a strength equal to that of any single power's Fleet which could be formed in the Western Pacific. Japanese aircraft operating from shore bases known to exist in Japan and the islands under its control cannot as yet reach Pearl Harbor and Singapore.

German:

Complains about lack of information available from Japanese Navy Department. Only information he has been able to obtain is based upon the Giornale d'Italia article with certain unsubstantiated reports to the effect that two 45,000 ton battleships mounting twelve 16-inch guns in triple turrets are under construction at Kure and that a third is to be laid down at Nagasaki as soon as the ways, recently vacated by the Tone, are enlarged. He states that his government is very much interested in the Japanese program. In support of this he read from correspondence therewith directing him to find out why the aircraft carrier Soryu, launched in 1935, had not been commissioned and somewhat

similar questions in regard to the last four of the 6-inch gun cruisers. He stated that his predecessor had repeatedly recommended that the Japanese be shown nothing in Germany in retaliation for the treatment accorded him in Japan, which recommendation had unfortunately not been accepted. It had been a prevalent opinion among the other attachés that the German was receiving preferential treatment here.

Soviet:

Two 35,000 ton or slightly larger battleships mounting 16-inch guns have been laid down, one at Kure and one at Yokosuka. Japan cannot build 18-inch guns because they have no lathes large enough to take them. It would be necessary for them to buy some from abroad and to obtain foreign technical assistance in gun design. The Soviet Attaché has not seen the Italian account but he has a German document giving somewhat similar information. Japan's economic situation is so precarious that she cannot build more than two battleships at the present time. He went to Kobe last summer to find out about the battleship reported as being built there. He is firmly of the opinion that the vessel on the big way there is a merchant vessel. 200,000 tons (nearly) of naval vessels are to be constructed. If there is much more than 70,000 tons of battleship construction, sufficient tonnage would not be left for other types. However, if more battleships are built, the total number will be four instead of three for tactical reasons. The Japanese tactical organization is a four ship division, not only battleships but cruisers and destroyers.

French:

Japan has under construction two 45,000 ton battleships mounting 16-inch guns, one at Kure one at Sasebo. Two similar battleships will be laid down this year, one at Yokosuka and a second one at Kure. 200,000,000 Yen is earmarked in the coming budget for new construction, which is \$18,000,000 less than last year. Five 8500-ton Class B cruisers mounting twelve six-inch guns will be laid down. These will have all guns forward of the bridge with four catapults aft.

Italian:

The following is additional to what has been stated above. The 18-inch gun tested at Muroran had developed structural weakness (as he said "deformed the powder chamber"). The article in the November 7 issue of the Giornale d'Italia was wrong. The information it contained did not emanate from him. The Japanese are not, at the present time, planning to construct additional aircraft carriers. When asked about the possibility of the two tankers laid down at Yokosuka three years ago (of which there has been no further information) being converted to aircraft carriers, he looked wise but was non-committal.

Comment:

The consensus of opinion now being that Japan has under construction two 16-inch battleships of considerably greater tonnage than 35,000 tons and is planning to lay down a third and possibly a fourth. I considered it advisable to inform the Department by despatch to that effect quoting the information from the source considered to have the best contacts at the present time.

~~CONFIDENTIAL~~

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

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/TOKYO Date Feb. 2, 1938 Serial No. 27 File No. \_\_\_\_\_  
(Common use series each January first) (Select proper number from O. N. I. Index)  
 Source of information Press  
 Subject JAPAN  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference \_\_\_\_\_

**NOTE**—(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.)

Reactions of Japanese Press to Visit of U.S. Cruisers to Singapore

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 11652, Sec. 2(b) and 4(D) or (R)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

14

1 each Dist.	C. in C. U. S.	Com. Inf. For.	Com. Inf. For.	C. in C. Asia	Com. R. I. S.	Com. Inf.	Attended at	<u>Operations</u>	State	Com-sec	Return to Bureau No.
								Com. Dir. W. P. Com. J. L. T.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for microfilming or photo-reducing.

Report No. 27

Japan

February 2, 1938

Reactions of Japanese Press to Visit of U.S. Cruisers to Singapore

The feature writers and special correspondents' articles dealing with the visit of United States cruisers to Singapore were given considerable space in the vernacular press. These were made sensational by:

YOMIURI - Taking advantage of the prevailing situation in the Far East, it is quite conceivable that Britain seeks to create the impression that an Anglo-American understanding in the Pacific has been reached by having an American squadron take part in the Singapore celebrations, carrying out joint maneuvers with three British cruisers there ... Plans are underway for definite agreements relative to joint maneuvers under the supervision of the Naval General Staffs of both nations ... This joint demonstration has ulterior motives? What will be the repercussion of such actions on the Far Eastern situation? We hope both the United States and Great Britain will consider this point carefully and adopt a policy of discretion. (Special from London).

HOOHI - Britain's strategy is joint contact with United States, Soviet Russia and France ... policy of anti-Japanese demonstration through military expansion of those four countries. This has resulted in joint naval maneuvers of Britain and the United States under pretext of celebrating completion of floating dock in Singapore and the great expansion of Soviet Army and Navy in the Far East. (From TSURUGA).

OSAKA ASAHI - The assemblage of 24 British vessels (at Singapore) is interesting ... unusual that 3 American cruisers will participate in celebration and maneuvers ... England has succeeded in winning America by crafty diplomacy ... Thus the two strongest naval powers are to join forces and place their fleets under one strategic unit.

Recently Britain permitted America to use a part of Hongkong as a base for air route across the Pacific ... frankly, this is opening Hongkong to U.S.Navy as an aerial base ... showing Britain thus using all possible means to draw America into joint Pacific operation ... England has long been desirous of holding joint maneuvers with the U.S.Navy ... now we see first steps ... next step will be to include Soviet Navy in this Pacific Naval Unit against Japan. Only then will Britain be satisfied, in regarding us surrounded. (semi-editorial).

OSAKA NICHI NICHI - During his recent three week visit to London, Captain R.E. Ingersoll, Chief of War Plans Division of the U.S. Navy Department, engaged in important consultations regarding Anglo-American building plans ... a plan of Anglo-American naval cooperation in the Far East was broached during these talks according to the press. It is believed that these discussions were general and did not advance beyond the preliminary stage. Naval quarters here (Japan) believe that the present state of American public opinion would not allow any definite combination of two fleets which might be construed as an attempt to intimidate Japan.

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

ATTACHE'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attaché. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date Feb. 15, 1938 Serial No. 59 File No. \_\_\_\_\_  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

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

Reference \_\_\_\_\_

NOTE.—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 Press Reaction to Three Power Note on Naval Construction

DECLASSIFIED

E.O. 11652, Sec. 2(b) and 5(D) or (E)

OBD letter, May 3, 1972

By RT, NAVAL DATA MAY 21 1973

Routing codes below are for use in O. N. I. Check distribution of the various copies as all copies. Check circle around the distribution of the copy intended for the particular distribution as marked.

Director	A-B-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	Manu- graph	Air- class	Budget	C. N. O.	Gen'l Board	War College	N. I. D.	Nar.	Ord.	T. S. D.	C. S. R.	Eng.	S. S. A.	M. S. T.	Arm.	U. S. M. C.	H. O.
Trk. Div.	C. in C. U. S.	Com. Int. For.	Com. Int. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attached at	Operations			State	Com- munic.	Returns to Exam. Rm.					
								Com. Dir.	W. P.	Com.	P. T.							

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 39  
Japan  
February 15, 1936

Japanese Press Reaction to Three Power Note on Naval Construction

The following is a condensed summary of the vernacular press reaction:

"The action of the three Powers in demanding naval information was indiscreet and presumptuous. This unreasonable act which is contrary to International etiquette was the result of an attempt by the British Government to have France and the United States act in concert to intimidate Japan. The Three Powers' impure motive was to shift the responsibility for naval expansion to Japan. Japan has no treaty obligation to divulge such information and her refusal to do so is supported unanimsously by Japanese public opinion. Moreover, government authorities and the intelligent public of these three Powers know full well the unreasonableness of their recent notes. These Powers lack sincerity in their attitude toward disarmament and they must bear the responsibility for any further armament expansion.

"Japan's naval policy is one of non-menace and non-aggression and her stand on limitation is well known (quantitative-global tonnage). For the Powers to avoid quantitative limitation and seek or reach agreement on the secondary question of qualitative limitation is contrary to the spirit of disarmament."

The day following the receipt of the British and United States note, the MEIKINKAI, an influential rightist organization, composed of retired government, Army and Navy officials, held a meeting to denounce the two powers inquiry as "an act of arrogance infringing on Japan's sovereignty," and to pass resolutions "absolutely opposing the disclosure of any naval plans to a Foreign Power", "reaffirming their faith in the naval policy of non-menace and non-aggression", and urging the "nation to unite to give unanimous support to the naval authorities".

The consensus of opinion of foreign news representatives is that, had any of the three Powers approached Japan individually, a satisfactory answer would have been forthcoming. Such joint action only solidified public and official opinion against disclosing their naval construction program and gave rise to the feeling that pressure was being exerted upon Japan, hence naturally resulting in Japan's rejection of the Powers' requests.

Comment:

The Naval Attache does not agree with the above consensus of opinion of foreign news representatives. It is believed that any individual request would have been rejected on the grounds of "naval secrets". As long as the Japanese have the nature and laws to preserve secrecy, actual determination of such will be nearly impossible.

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

## ATTACHÉ'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from all attachés. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date Feb. 17, 1938 Serial No. 43 File No. \_\_\_\_\_  
(Commence new series each January first) (Indicate proper number from O. N. I. index)

Source of information Press

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

## Reference

Remark.—(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.)

Naval Policy and Trends from the Diet Proceedings

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (R)

OSD letter, May 3, 1972

by KT, MAY 21 1973

~~CONFIDENTIAL~~

Naval Policy and Trends from the Diet Proceedings

In the current session of the Diet, answers to certain interpellations have indicated somewhat the trend of Japanese Naval Policy and projects. Unfortunately, the majority of these interpellations have been made and answered in executive session or with stenographic recording suspended so that the replies as reported by the vernacular press after careful censorship (with possible distortion (?)) are even more obscure than the vague generalities usually expressed in open session of the Diet.

Naval Construction and Modernization:

The Imperial Navy is now quietly watching the moves of Great Britain and the United States in regard to naval armament expansion. Counter measures are under study but have not reached the point where a concrete plan can be announced ... The Navy has been following the course of independent armament ... The efficiency of battleships ought to be increased side by side with that of naval planes.

Reconstruction of capital ships has been "generally completed" and the reconstruction of auxiliary vessels will be continued for some time.

As regards the power (capabilities, efficiency) of small vessels, there is no need for apprehension.

There is no need for worry in connection with material (for construction).

There is no need to feel uneasy about National Defense as far as the Navy is concerned.

Policy:

The Navy has no intention of maintaining parity in naval strength despite plans for greater navies by other Powers but will perfect the national defense with a Navy suitable to the geographical and other conditions of this country. "Taking into consideration the armament of Third Powers, it is our intention to build up our fleet to the best of our ability. We are using the experience gained in the present hostilities to build up our strength, both morally and materially. Concrete plans therefore cannot be disclosed."

If Great Britain and the United States have concluded an agreement between themselves, the Empire will be required to take counter-measures. The policy of the Imperial Navy is maintenance of an independent armament based on the policy of non-menace and non-aggression.

Armament cannot be set up (created) in the Mandated Islands but the question of strengthening the armament in Formosa is now under consideration.

There is no intention of expanding the Marines (landing force) at present.

Although desired, no concrete negotiations are in progress for the right to exploit New Guinea oil fields.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Operations:

Judging from the remarkable achievements of naval planes in the present hostilities, it is quite obvious that in all future wars the air arm will play a very important part. From the point of view of Fleet operations, however, it seems only proper that the planes, as auxiliary units, should remain under the direction of the Commander-in-Chief of a Squadron (Fleet). For this reason, it will be difficult to detach the air arm from the Squadron (Fleet) and place it under a separate command to take action independently of the Squadron (Fleet). Hence, the Navy has no intention of advocating the establishment of a separate Air Ministry that would take over the Naval Air Force. ✓

No answer can be made regarding operations against Hankow or Canton for reasons of military and political strategy.

Organization:

Combined Fleet (Vice Admiral Yoshida), consisting of:  
First and Second Fleets (Vice Admiral Shimada)  
China Area Fleet (Vice Admiral Hasegawa), consisting of:  
Third and Fourth Fleet (Vice Admiral S. Toyoda)

Increased Air Force:

It is believed that Japan will have adequate strength when the replenishment plan now under way is completed ... In the light of recent experience, expansion of armaments, especially in the field of aviation, will be effected quickly.

Personnel:

The morale of the Navy is very high. The Navy has under consideration but does not now intend to enforce a volunteer system for Koreans. Many Koreans have taken examinations for naval academy entrance.

There must be training (adopted) of better aviators in line with the expansion of aerial strength.

Fuel:

If imports from abroad are suspended we think we can manage by relying on exploitation of oil fields in Japan and coal-liquefaction ... the Navy has considerable reserve supply.

Results, as expected, are now being obtained by utilization of Formosan natural gas in the manufacture of gasoline but it is yet to be decided whether to leave the industry in the hands of the Navy or turn it over to a private concern.

Except for the low temperature process, the Fuel Industry in Japan is still in the experimental stage. The low temperature carbonization production for last year totalled 2000 tons of gasoline and 5000 tons of tar (plants in operation were Eian, Wanishi, Karafuto and Ubo). A new hydrogenation plant is now ready for operation in Northern Korea. Progress is being made in the projects at Miike (Kyushu) and Manchukuo.

Munitions:

The question of joint Army-Navy purchase of certain munitions is now being studied. The importation of important war material (munitions) will be continued regardless of the question of balance of foreign exchange.

The actual expenditure of arms and munitions has been greater than anticipated but we are preparing to replenish everything. This must be done as soon as we can.

~~CONFIDENTIAL~~

Soviet-Vladivostok:

Full particulars regarding Russian naval strength at Vladivostok are not 'available' but it is known that in that port now are 'more than a hundred' destroyers, special service ships, and other high speed craft, besides a 'few score submarines'. 'Soviet submarines around Vladivostok deserve special attention'....(also reported as --) 'The actual Soviet naval strength is not of such a degree that it should cause special fear to Japan'.

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

ATTACHÉ'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attaché. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date March 4, 1958 Serial No. 55 File No. 102-100  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information .....

Subject Japan Political - Policy Foreign  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference .....

NOTE:—(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.)

Article By Mr. Hugh Byas.



~~CONFIDENTIAL~~

DECLASSIFIED  
 E.O. 11652, Sec. 2(f) and 3(D) or (E)  
 OSD letter, May 3, 1972  
 BY ET, NAIS Date MAY 21 1973

1. Sub. Dir.	C. in C. U. S.	Com. Int. Sec.	Com. Int. Sec.	C. & C. Asia	Com. S. E. A.	Com. Afr.	Attache of	Signature			Date	Comments	Return to Source No.
								Com. Dir.	W. P.	Com. Pl. Tr.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of sketches, carbon of sketches, etc., where practical. If practicable, submit extra-low resolution copies for microfilming or photostating.

Report No. 55  
Japan  
March 4, 1938

100 - Political  
102 - Policy  
100 - Foreign

Article by Mr. Hugh Byas

The following article submitted by Mr. Hugh Byas (correspondent for the New York and London Times) for publication in the New York Times Magazine is such an excellent exposition of opinions held by me, especially as regards the Southward Advance Policy, that I am submitting it as a NA/Tokyo Report:

"When Perry summoned Japan to open her doors he was backed by armaments 200 years in advance of anything Japan could oppose to them. If an American squadron came to Tokyo Bay today it would meet armaments equal to its own. In the span of one long lifetime the Japanese fleet has risen from the sailing-junk era to the third position in the world.

"Even that historically short space of time must be subdivided if the speed of the transition is to be understood. The first 40 years were a period of probation. It led to the period of power, and the period of the use of that power as an instrument of national policy has begun. If, as Theodore Roosevelt said, the twentieth century is the age of the Pacific, Japan's sea power is one of the strongest of the factors that are shaping it. The navy is conscious of its role. As the army is the spear-point of Japan's expansion on the continent the navy looks southward to the tropical treasure house of the South Seas where oil and rubber abound.

"The organization of the Japanese fleet corresponds closely to that obtaining in England, from the cocked hats and swallow-tail coats of the admirals down to the arrangement of the daily work of the ships. But the Japanese have never had any false pride about copying good models. These things are external, like the gold braid. What makes the navy distinctive, they say, is the Japanese spirit which pervades it.

"That spirit makes Japanese warships unique in their austerity and lack of the amenities other navies provide. The living quarters of the seamen are cramped and the men are taught to take pride in the discipline which sacrifices comfort to fighting quality. By economizing space which in the peppered navies of America and England would be used for living accommodation, Japanese designers claim that they get more fighting value out of a given tonnage than any others. The officers' cabins and wardrooms are bleak and bare. Few books are seen on a Japanese warship except technical publications and text books.

"The organization of the navy is a pyramid at the apex of which stands the Emperor. But the Emperor does not personally command or administer the navy. The executive duties of the supreme command are exercised by the Chief of the Naval General Staff, Prince Hiroyasu Fushimi, a collateral member of the Imperial family, and the Navy Minister, Admiral Mitsumasa Yonai. There is no rule or custom that an Imperial prince must always be Chief of the General Staff. Until a few years ago the position was usually filled by a high ranking officer on the active list. Both army and navy were placed under Imperial Princes at a time when fiction in the army was running high. The appointment of an Imperial Highness reduces friction and adds importance to the office of the Vice-Chief, at present filled by Vice-Admiral Mineichi Koga.

"The fighting services enjoy a privileged position under the Japanese Constitution. Parliament has a limited power (which it is allowing to die by disuse) over military and naval appropriations, but in the greater part of their functions the fighting services are not controlled by the government but by the Emperor as generalissimo. This division of authority is the source of that "dual diplomacy" so often observed in the conduct of Japanese policy. Its result is to make the navy like the army, virtually a self-administering organization under the Emperor.

"Parliament might criticize it, but doesn't. The epigram is true: the duty of the navy is to decide what funds it requires, and the duty of parliament is to vote them. The navy has never hesitated to ask what it wanted, and Parliament has never refused to give. At the same time, the navy has usually exercised its power with prudence. It accepted the Washington limitations of 1922 and cut its expenditure on construction by 50 per cent. It submitted, though grudgingly, to the London treaty of 1930. But in 1934 it rejected limitation except on its own terms, and opened the floodgates of naval competition. That was a demonstrable blunder from Japan's own point of view. It was based on the miscalculation that Japan could have secrecy without its consequences in the shape of rumors, scares, recriminations and retaliation. The corollary of "Hush, hush", is "Build, build" and the race has begun. Whether the navy will sacrifice its secrecy as the bill of costs goes up remains to be seen. Meanwhile, it is carrying on at full speed on the course of non-cooperation.

"The Chief of the General Staff takes charge of all matters concerning strategy and operations; the Minister of the Navy controls administration in all its branches. Stated more simply, the Minister prepares the weapon and the Chief of the General Staff uses it. These officers are, under the Emperor, the two highest stones of the naval pyramid. In the army there are three --- Chief of General Staff, Minister of War and Inspector-General of Military instruction. The three form a triumvirate which rules the army. There is no corresponding group in the navy. Naval instruction is directed by a bureau of the Navy Office.

"The General Staff controls all Japanese naval attaches with the embassies abroad; it collects intelligence; it plans operations; in time of peace it prepares for war, and in time of war it is the power behind the commander-in-chief.

"The Navy Office is entrusted, broadly speaking, with the duty of preparing a fleet for use of the General Staff at the orders of the Emperor. It is organized in eight bureaus: Naval Affairs; Personnel; Education and Training; Medical Affairs; Accounts and Supplies; Judicial Affairs; Munitions; Construction.

"The bureau of naval affairs overshadows the others in importance, and its head is always a brainy young admiral on his way to the highest posts. The Department of Naval Construction, under the Navy Minister, prepares plans, supervises construction and repairs, equips arsenals and dockyards, supervises instruction of engineers, controls the technical research institute and the explosives factory. No part of the navy's organization is more carefully surrounded with secrecy. Those unknown naval architects and engineers have shown boldness and originality in design. They have been particularly successful in the unconventional designing of the "Kako" class, displacing only 7,100 tons and carrying the armament which in the United States Navy is mounted on 10,000 ton cruisers. But a class of torpedo boats which were given the guns of a heavier type of craft were

unmanageable in bad weather because of their tophamper and had to be reconstructed. The work of the naval designers in Tokyo awaits the test of an encounter with another first class fleet, but good foreign judges believe that in construction and equipment, the Japanese Navy will bear comparison with the best.

"The Japanese Navy is manned by approximately 90,000 officers and men on the active list and 50,000 in reserve. The majority of the men have enlisted voluntarily for six years service afloat, and as many re-enlist for a further period, the proportion of experienced men of long-service on each ship is always high. The Japanese seaman, if more stolid than the American "Jackie" and less alert in his movements, is keen, has had a good primary education and responds to training. He faces death like a fatalist, and, as the Shanghai fighting showed, when 4,000 Japanese marines held out behind their well-prepared defenses against four or five times that number of Chinese, he has unlimited tenacity. The number of officers maintained on the active list is higher than in the American navy. The fleet is organized on the basis of constant readiness for action, and consequently carries at all times a staff of officers sufficient to provide full war complements. A comparison showed that the British fleet had 1.35 officers to every ton, whereas the Japanese ratio per ton was 3.42.

"Starting from zero in 1857 with a few warships presented by England and Holland, the Japanese navy mustered 50,000 tons when Japan fought her first foreign war --- with China --- in 1894. Ten years later the second war was fought --- with Russia --- and the navy then was a modern fleet of 256,000 tons. Today it disposes of over 850,000 tons.

"This formidable engine of national policy is, in the opinion of its possessors, (like all navies) a purely defensive force. It would be idle to argue about difference between offense and defense, but two striking facts are evident: Japan's defensive strength has never ceased to expand, and its radius has never ceased to extend. The navy's primary problem is defense of the essential trade routes in the China and Yellow Seas which link Japan with her sources of iron-ore, coal and some foodstuffs. But it is deemed equally essential to maintain control of the route to the Dutch Indies where oil, a vital element in defense, is obtained.

"The Japanese navy, not less than the army, is filled with faith in the expansion of the empire and the fulfillment of a national destiny, rivaling Mussolini's vision of a new Roman Empire. The navy's South Sea policy is crystallized in the slogan "Minami e Minami", or "Southward Ho!" There is a curious identity of thought in the reasons by which both the continental and the southward policies are supported. In 1931 the Japanese people were told that Manchukuo was their life line; two years ago Admiral Nobumasa Suetsugu, commander-in-chief of the fleet and now Home Minister, declared that the mandated islands of the Pacific were Japan's "ocean life line". The Emperor of Manchukuo recently described the relation of his country to Japan as an "indivisible unity". Professor Tadao Yanai, a protagonist of the South Sea policy, declares that the relations between Japan and that region are inseparable. The same writer urged the Japanese government to declare to the world that she had no territorial designs and simply desired the South Sea states to "abandon their chauvinistic policies, remove discriminatory instructions against Japanese goods and cooperate with us in developing South Seas territories." Similar disavowals of territorial ambitions in Asia did not prevent the severance of Manchuria from China, and a Chinese Government

Which refused cooperation has just been defeated and dispossessed by Japanese armies.

"Yet there is an important difference between the continental and the South Seas policy. In the former the primary motive was strategic; the army conceived it urgently necessary to secure Manchukuo, North China and Inner Mongolia as advance defense posts against Soviet Russia. The southward advance the navy proposes is primarily economic. The risk of war will only arise if economic expansion is opposed by the powers in possession. By economic expansion is meant "the securing of cotton, lumber and other industrial resources, the opening of new markets for Japanese merchandise, development of fisheries, exploitation of fuel (oil) resources necessary for defense, and the right to send emigrants".

"Other Japanese proponents of the Southward advance have not been content with commercial penetration. 'It is as clear as daylight (wrote Mr. Y. Takekoshi) that Java and Sumatra will form a very convenient base for Japan's foes, whoever these foes may be. To ensure her own safety Japan should not allow Java and Sumatra to remain in such a vague and uncertain position as they are at present.' That was 21 years ago; the southward policy is no new fad. Mr. Takekoshi's solution was that Holland should sell them to Japan. Last year it was proposed in the Diet that Japan should obtain a permanent lease of Dutch New Guinea. "Out of the question," replied Foreign Minister Sato, "Japan's expansion into the South Seas should be in an absolutely pacific manner." The navy accepts the pacifism, but insists on the advance. Admiral Sankichi Takahashi, then commander-in-chief of the Japanese fleet, told an audience of Osaka business men last year that "Japan's economic advance must be directed southward, and the cruising radius of the Japanese navy must be expanded, with Formosa and the South Seas islands as a foothold, as far as New Guinea, Borneo and Celebes." Summarised, the economic-defensive proposition runs as follows: National defense requires industrial development. Japan can only attain self-sufficiency in essential military and industrial materials by advancing to the South Seas where rice, iron, metal, wool, rubber and oil are produced. With abundant raw material for her cheap labor and limitless electric power, Japan's industrial future is secure. Japan's population problem can be relieved if Japanese industry and emigrants engage in the exploitation of the Dutch East Indies' undeveloped resources.

"With these plausible arguments the navy advocates southward expansion. The Dutch government, anxious for the safety of its rich colonial estates, is not reassured by promises that Japan's southward expansion will be purely economic, and is strengthening its defenses, keeping a watchful eye on Japanese fishers in forbidden waters, and observing with unconcealed approval the completion of the Singapore base as a counterpoise to American withdrawal from the Philippines.

"Some observers predict that as Japan becomes more deeply entangled in China she will lack the resources needed for the southward advance, and on this assumption theories are built of a clash between the navy and army, each jealous of the other's claims on the national income. None of these eventualities are impossible, but it is as well to remember earlier failures in the same line of prophecy. The something that was to check Japan has not yet turned up. Japan knows her own mind, her power is growing, her 70 million people move as one family, and she times her movements with unerring skill."

I believe Mr. Byas' conceptions of the political and politico-military situations as relate to Japan are sounder and more conservative than those of any other foreign correspondent here. I have never discovered him treating a subject sensationally to increase its news value.

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

FE

ATTACHE'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date April 15 58 Serial No. 80 File No. \_\_\_\_\_  
 Source of information Press (Classify new series each January first) (Select proper number from O. N. I. index) 18  
 Subject Japan (Nation reported on) (Index title as per index sheet) (Subtitle)  
 Reference \_\_\_\_\_

NOTE.—(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 Reaction to American Naval Building Programs

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (B)

OSD letter, May 3, 1972

By RT, NAIS Date MAY 21 1973

71-8-

Routing copies below and for use by O. N. I. Check distribution of the various copies on all copies. Check marks against the distribution of the copy intended for the particular distribution to be made.

Director	A-B-C-D-E											Misc.	Adm.	U.S. M.C.	H.O.		
	B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Monograph	Archieve	Budget	C.R.O.	Gen'l Staff	War College	N.I.S.	Nav.	Off.	T.R.					C.A.R.	Eng.
Task Dir.	C. in C. U. S.	Com. Sub. For.	Com. Sub. For.	C. in C. Asia	Com. R. S. S.	Com. Afr.	Attached to	Operations				Com. Dir.	W. P.	Com. Pl. Tr.	State	Com. Sec.	Returns to Source No.

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of drawings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 80  
Japan  
April 13, 1938

Japanese Reaction to American Naval Building Programs

On 2 April Domei said that Japan will be compelled to build up its naval armaments to a certain extent as a result of the American decision to build battleships in excess of 35,000 tons, adding that the United States has no justification in using Japan's silence (regarding building plans) as an excuse for an expansion of American naval strength.

On 3 April Domei conveniently "recalled" that during the past Diet the Navy Minister had stated (to an obscure committee on 16 March):

"...Japan's policy is to provide itself with armaments in accordance with the principles of non-menace and non-aggression on an independent basis in keeping with national circumstances and characteristics. Thus the Navy is not building any super-dreadnoughts and has at present no intention of doing so..." (Cabled by Embassy on 30 March, and NA/Tokyo Report No. 71-38)

On 5 April, the vernacular press featured the Secretary of State's letter to Senator Walsh on 5-5-3 ratio maintenance:

ASAHI - "United States definitely abandoned 'stay at home' policy"  
NICHINICHI - "Japanese naval authorities greatly annoyed (by escalation) and regret England and United States leading a naval race. United States about to embark on stronger policy in Far East."  
HOCHI  
KOKUMIN ) - As above, therefore change in Japan's naval plans inevitable.

All above interpreted American insistence on 5-5-3 ratio as proof that the United States Navy strategy is based on "offensive overseas operations".

On 6 April the Nichinichi stated - "view United States naval expansion as move to divert United States thought from own economic and political ills ... Secretary of State's letter indicates clearly Japan to be the object of American naval plans. People of the United States should consider consequences of such a policy in Pacific."

All papers headlined substance of Domei release to all papers quoting Admiral Leahy's alleged statement to Naval Affairs Committee that "England provoked the world-wide naval race." This statement was said to have been issued to bolster the Vinson Bill, the reason for its original introduction (based on Japan's refusal to announce her building program) having been unacceptable to the United States public.

At a press conference on 7 April, the Navy spokesman, Rear Admiral Noda, said: "The Japanese Navy must have complete control of the western Pacific from a standpoint of national security in order to keep peace in the western Pacific area. Of course, this is necessary to keep open the lines of communication as Japan is obtaining many materials for its subsistence from overseas." Admiral Noda would not define the western Pacific in degrees of longitude and latitude, nor by the 180th meridian but said it would include all the area that is necessary to defend

Japan's national security." "That the U.S. navy defense line in the Pacific is apparently advancing further to the west due to the abandonment of their 'stay at home' policy and insistence on adherence to the B-S-S ratio is looked upon with grave concern." "It is difficult for us," he added, "to find any reason for America to keep the B-S-S ratio."

When the Navy Minister arrived in Kobe on 8 April, he told reporters that "armament replenishment plans are going to be subjected to a re-examination", prefacing this (in exactly the same wording) with his remarks before the Lower House Committee on Accounts (16 March) concerning Japan's non-building or non-intention of building super-dreadnaughts. He added that "should the sense of security of our national defense be even slightly threatened, we will put into execution revision of or even additions to the present program as a counter measure. We are prepared for this and our minds are made up. Frankly speaking, our attitude is 'Do as you please'...."

Lieutenant-Commander Tota Ishimaru (retired), a naval critic and writer in conversation recently with a reliable source stated that a Japanese-American war is now out of the question. The present world situation may lead to a war between democratic and totalitarian states and in this Japan would oppose America in the Pacific while the main British and French forces would be of necessity concentrated in European waters by the Fascist fleets. In opposing America, Japan would undoubtedly adopt a defensive plan of campaign, hoping to lure the United States main body near enough to areas under Japanese (sea and air) control to undertake aerial operations. Mr. Ishimaru expressed a firm belief in the natural strategic and tactical advantages accruing to Japan and felt no doubt of the ultimate victory of the Japanese Navy.

As was reported when British, French and American notes asking for a statement of Japan's intentions regarding adherence to the qualitative limitations of the 1935 London Treaty were submitted to the Japanese Government, indignation was expressed by the press at the "arrogance" of those three nations in presuming to ask the Japanese Government to disclose secrets of its national security. Their editorials were probably Navy inspired. This indignation at the "presumptuousness" of England, France and the United States has apparently been replaced by concern over whether the United States is really going through with its announced naval construction programs. Even before the Japanese abrogation on January 1, 1937, of the Naval Treaties it was apparent here that statements emanating from Washington to the effect that the United States would spend billions on keeping the B-S-S ratio intact were considered by the Japanese as "bluff". Now that the Japanese Navy Department realizes that the United States Government intends to build in accordance with the program submitted by the President to Congress, real concern is being manifested.

The cry that such U.S. Naval expansion is aimed at Japan can be expected to continue. Great prominence in the press here has been and will continue to be given to statements in Congress and before its committees of those opposed to such naval expansion. The threat that Japan will change her building plans accordingly will be repeated. However, it is not beyond the realm of possibility that when she realizes the United States is not bluffing, Japan may be ready to talk "Turkey". Opinion has been prevalent that Japan's secrecy in regard to her naval armaments was for the purpose of gaining a "nuisance value" in any future Naval Limitation Conference. However, it is now believed that the Japanese Navy thought

that world economic conditions were such as to prevent other nations from extensive building and that she could, by a not too excessive expenditure, build up gradually to a point approaching actual parity. The extensive modernization of her older ships, together with the acquisition of a few new ones, would bring her to that position shortly. Had not the trouble in China developed to its present proportions, this plan in relation to the United States might have succeeded especially when it is considered that U.S. capital ship strength (New York, Texas and Arkansas losing their combat value rapidly) would amount in 1940 to twelve while Japan's, based upon two new ships laid down last year, would total eleven. This, of course, does not take into consideration the possible modernization of the HIYAKI.

CONFIDENTIAL

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

ATTACHE'S REPORT

11599-N 8-10-38

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for  
quietly disseminating information from attaché. These copies will be distributed by O. N. I. as per instructions or elsewhere, according to subject matter.

From NA/Tokyo Date May 25, 1938 Serial No. 115 File No. \_\_\_\_\_  
(Continuation new series each January first) (Select proper number from O. N. I. Index)

Source of information \_\_\_\_\_

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

Reference \_\_\_\_\_

Notes:—(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.)

**Navy Day During China Incident.  
(Translation of Navy Pamphlet).**

19

~~CONFIDENTIAL~~

10

DECLASSIFIED  
E.O. 11652, Sec. 8(E) and 8(D) or (2)  
OIG letter, May 3, 1972  
By HT, NAME DA MAY 21 1973

JUN 18 1938

Navy Day During China Incident (translation of pamphlet)

The following is a translation (condensed) of a pamphlet entitled "Navy Memorial Day during China Incident" which was issued by the Publicity Section of the Japanese Navy Department on the occasion of "Navy Day" (May 27th).

Introduction.

It is with deep emotion that we celebrate the 33rd Naval Memorial Day, May 27, at this time when Japan is involved in the China Incident. Ten months have already passed since the outbreak of the Incident in July 1937. Its early termination cannot be expected, since the Koumintung Government is proclaiming a protracted warfare against Japan regardless of the suffering of its people. In continuing its futile efforts, the Chinese Government is depending upon support of the Soviets and countries in Europe. The Nation's best efforts should be exerted upon the basis of the national general mobilization to drastically punish the Chinese Government and establish permanent peace in East Asia. In the meantime we must not lose sight of the present international situation, including the present tendency toward armament expansion.

I. Relationship between Russo-Japanese War and China Incident.

Since the 17th century Russia under Czarism had adopted the policy of invasion in the Orient, absorbing finally Siberia and the Maritime Provinces. Immediately after Japan was forced to return Liaotung Peninsula to China on account of the interference by three European countries including Russia, she herself occupied Manchuria and entered Korea. The Russo-Japanese War followed, resulting in Japan's rapid rise to the status of a World Power. It was inevitable that her interests should clash with those of England and other countries, which have been coming into the Far East since the China-Japanese War. After the World War the Powers' jealousy and antipathy against Japan due to her increase in influence in the Far East has been heightened. Whenever possible, these countries tried to interfere with Japan's increasing power. In the meantime, the antipathy of the people against foreigners in general caused by their awakened nationalism was successfully shaped by Chiang Kai-shek into anti-Japanese feeling. The Soviets have taken advantage of the situation to obtain a firm grip upon China, with a view towards using her as a tool in their fight with Japan, which is the stabilizing power in the Far East.

II. Reasons for Japan's Victory over Russia.

While the Japanese were united in their desire to revenge themselves on the Russians for their interference at the close of the Sino-Japanese War, the Russians lacked unity on account of the mixed motives in starting the war. The technical superiority of the Japanese Navy over the Russian was another decisive element.

III. China Incident and the Navy.

At the outset of the incident the Japanese Landing Force at Shanghai successfully defended the concession against the onslaught of the Chinese regulars more than ten times greater in number. Our naval aviation corps' unprecedented successes are due not only to the superior quality of their planes, but also to the untiring training carried on in the past. Forces engaged in the blockading operations along the China coast extending over 2,000 nautical miles are the worthy successors to their predecessors in the Russo-Japanese War. We should not lose sight of the fact that the very existence of our fleet in the Western Pacific is checking the possible interference by foreign countries. The Command of the Sea is indispensable to the attainment of the objects of the operations in the Incident, and for this purpose the Navy will exert its best efforts.

IV. Present State of the Powers' Naval Armaments.

~~CONFIDENTIAL~~

Strained international relations in the Orient as well as in Europe have caused the countries to expand naval armaments in order to insure national security. At this juncture England and America especially are executing a large scale naval expansion.

A. America

President Roosevelt in 1933 approved the construction plan which called for the building of 32 vessels over a three year period with a total tonnage of over 150,000 tons. In 1934 the Vinson Plan was approved which plan proposed the construction of 102 vessels in five years totalling 200,000 tons. Again, the so-called new Vinson Plan which was recently passed calls for an expansion of the naval strength by 20 percent. Thus when all the programs are completed, America will possess naval vessels within age limit, totalling a displacement of 1,500,000 tons and about 3,000 naval planes. It should be noted that when the plan was submitted to the House Naval Committee Admiral Leahy in advocating the plan stated that America was obliged to expand her naval strength in answer to the large scale naval expansion plans undertaken by England and Japan.

In connection with the new Vinson Plan approved by both Houses, Secretary of State, Mr. Hull in his letter to Chairman of the Senate Naval Committee Mr. Walsh refuted the "stay-at-home policy" of the U.S. Navy, and stressed the fact that it should protect American interests anywhere in the world.

With this large scale naval expansion, America is continuing her positive policy in the Pacific in maintaining (since the Manchurian Incident) her main naval force on this side of the continent, and expanding her naval facilities in the Pacific, including aviation bases.

B. England.

Beginning 1937 England started an unprecedented naval expansion plan, which was further spurred on by the current year's naval appropriation. By the end of 1942 she will possess vessels within the age limit totalling at least 1,500,000 tons. In a few years she will have 25 capital ships. With her air forces too she is carrying out a large scale expansion: by the end of March 1939, deck planes will total 478, Home Air Force 1750 planes and overseas force 415 planes. Expansion of her naval bases in the Far East as well as in the Mediterranean is no less phenomenal.

C. Soviet Russia.

It is a well known fact that the Soviets have adopted the large-Navy plan. Their construction program is understood, to include the building of two battleships of 35,000 tons each mounting nine 16 inch guns, eight cruisers (1 completed) of 7,000 tons each mounting nine 7.2 inch guns, six icebreakers (2 fitting out) - four of 11,000 tons and two of 8,330 tons, and about 20 submarines. What attracts our attention is the sending of more submarines and airplanes to the Far East, their bases being (in addition to Vladivostok) in the Maritime Province, Kamchatka, etc.

V. Urgent Necessity for Replenishment of Our Naval Strength.

As has often been declared, our naval armaments are based upon the non-menace and non-aggression principle, and aim at the maintenance of independent armament policy. Nevertheless, armaments are relative and not of a mixed quantity. For instance, the fact that England and America each will possess by the end of 1942 naval vessels with a total displacement of 2,000,000 tons (including vessels over the age limit) should not fail to exert influence upon other naval powers. It is reasonable to suppose that Japan might be required to expand her naval armaments or to alter the approved construction plans in response to the two countries' armaments expansion. It is most urgent that the replenishment of armaments should be carried out satisfactorily, especially for the purpose of attaining the object of the present operations, and in the preparation for the situation that could develop after the termination of the present Incident.

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

ATTACHE'S REPORT

213.47-B  
C-10-K

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date May 28, 1938 Serial No. 117 File No. 100-100  
(Continuation new series each January first) (Select proper number from O. N. I. index)

Source of information .....

Subject Japan Political Forces - Government. National Organization.  
(Station reported on) (Index title as per index sheet) (Subject)

Reference .....

Note.—(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.)

Cabinet Reorganization.

~~CONFIDENTIAL~~

20

DECLASSIFIED  
E.O. 11652, Dec. 18, 1972 and 60D) or (E)  
OED letter, May 3, 1972  
By RT, NARS Date MAY 21 1973

Task Div.	C. in C. U. S.	Com. Int. Per.	Com. Am. Per.	C. in C. Asia	Com. S. S. S.	Com. Afr.	Attached at	Operations			State	Com. Int.	Return to Source No.
								Com. Div.	W. P.	Com. Int. T.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for microprinting or photostating.

Report No. 117.  
Japan.  
May 28, 1938.

100 - Political Forces.  
101 - National Government.  
100 - Organization.

Cabinet Reorganization. ~~CONFIDENTIAL~~

At 1930 on 26 May three new state ministers were invested in office:

<u>New</u>	<u>Portfolio</u>	<u>Retiring</u>
General Kazushige UGAKI	Foreign Affairs	Koki Hirota
Nariaki IKEDA (formerly of Mitsui and Bank of Japan)	Finance and Commerce & Industry	Shinji Yoshino.
General Sadao ARAKI	Education	Maruis Kido*

\* - Marquis Kido retains his portfolio as Minister of Welfare and Health.

The background of this Cabinet reorganization and speculation as to future developments is covered by Embassy telegram No. 333 of 26 May 1938 which is fully concurred in by this office. It is believed that the inevitable result will be a much stronger international policy plus certain internal reforms, both of which have long been the Military's objectives.

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

ATTACHE'S REPORT F-6-e/22420-3

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or elsewhere, according to subject matter.

From NA/Tokyo Date July 11, 1958 Serial No. 152 File No. \_\_\_\_\_  
(Commence new series each January first) (Subst proper number from O. N. I. Index)

Source of information \_\_\_\_\_

Subject \_\_\_\_\_  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference \_\_\_\_\_

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

Tokyo Naval Attache's Second Visit to Shanghai (June 1958).

21

~~SECRET~~

EX-11452, Sec. 205 and 207 of (D)

USO Index, May 3, 1972

to NY, SOUTH OAS, MAY 21 1973

Comm. Div.	C. in C. U. S.	Com. Int. Aff.	Com. Sec. Aff.	C. in C. Asia	Com. S. E. A.	Com. Afr.	Attache at	Operations	State	Com-mand	Returns to Source No.
								Com. Div. W. P. Com. M. T.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all omissions, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 152.  
July 11, 1938.

Tokyo Naval Attache's Second Visit to Shanghai (June 1938).

Upon authorization of the Navy Department I proceeded to Shanghai to confer with the Commander in Chief, Asiatic Fleet, arriving there 1700 June 19th and departing 0700 July 2nd. The purpose of my visit was primarily to obtain first-hand information of the situation existing at the end of the first year of hostilities, especially in its relation to what is thought to be the policies of the recently organized Japanese Cabinet. An especially good opportunity for this appeared to lie in a four day trip up the Yangtse on the Isabel with the Commander in Chief and his staff. This opportunity combined with seven days spent in Shanghai conferring with American Government officials, the American Naval Attache from Paiping, American business men, local Chinese, foreign naval officers, foreign diplomatic representatives, Japanese naval officers in the Special Service Bureau and conversations with individuals met while travelling on trains in Japan and on board ship to and from Shanghai appeared to make the trip well worth while.

It was evident to me last September as a result of a similar trip to Shanghai that, in view of the peculiar conditions existing in Tokyo as regards censorship of news, continuous government propoganda, which is bound to be absorbed to a certain extent, together with the various restrictions imposed upon the activities of foreigners, one's point of view was very liable to become warped by remaining in Tokyo too long. A change of perspective is very important now and then.

One striking thing observed almost instantly was the magnitude of the preparations that Japan had made to prosecute the war. While only a comparatively restricted area of operations was visited, i.e., the lower reaches of the Yangtse, still that area is now the main artery for men and munitions entering China for use in the prosecution of the present campaign against Hankow, especially so now that Yellow River floods have caused a temporary cessation of operations from the north. In the Shanghai area it seems that the Japanese are digging in to stay. From the mouth of the Whangpoo to the International Settlement they are undertaking extensive harbor improvements. While they have been in control of Hongkew and the Yangtsepoo water front since last August, they are now building up the lower reaches of the river by constructing permanent concrete docks all along the Whangpoo from the settlement to Woosung. Dredging is also underway. Opinion is to the effect that the Japanese intend to build a new city there which will dwarf the International Settlement and the French Concession. This opinion seems to be supported by the fact that the Japanese are indifferent and unwilling to cooperate with the Whangpoo Conservation Board as regards measures to prevent the silting of the upper Whangpoo. It is stated that the sunken ships across the river just above the French Concession are causing the river to fill up which would, in time, render the International Settlement inoperative as a deep water port.

Vast amounts of supplies are being landed daily along the waterfront from Woosung to Soochow Creek. On the Yangtse River itself during our voyage to Wuhu countless numbers of Japanese ships were observed proceeding up the river deeply laden, with counterparts returning more or less light. No foreign merchant vessels were seen above the Kiangin boom. In addition to Japanese deep draft ocean vessels hundred of smaller craft were seen; motor sampans and similar types undoubtedly brought over from Japan. It was stated that some 20,000 such fishing vessels and motor barges had been commandeered along the coasts of Japan for use on the inland waters of China. It was apparent that both Hanking and Wuhu were being used as major bases of supply for operations of the Japanese in the Yangtse valley and to the northward. In our automobile trips in both cities and especially in Wuhu I was astounded at the extent of such. Vast numbers of motor vehicles, horse drawn carts and smaller man drawn vehicles were observed. Railway locomotives and cars were being landed. Many corrals housing fifty or more horses each were seen. These corrals were roofed over and planked under.

~~CONFIDENTIAL~~

The river itself appeared to be near the high water mark, with the normal seasonal high water still six weeks away. This, together with the Yellow River floods, may cause a temporary change in Japan's plans. Should the high water force her to give up for the time being operations against Hankow it is very possible she will soon commence operations against Canton.

Two questions were frequently asked of me: "What is the significance of the recent changes in the Japanese Cabinet?" and "Are there any signs of Japanese economic collapse or social upheaval?". To me the important question was: "How long can China resist?". If the answers to those questions were known the future might be visualized more or less succinctly, not only as it concerns Japan and China but also as it concerns the future of the white race in the Orient. It is apparent that Japan has but few friends left in the world other than Italy and a luke-warm Germany. Considerable wishful thinking was encountered on the part of those with whom I talked. A feeling of gloom generally seemed to greet my statement that there were as yet no indications of an impending economic collapse in Japan nor were there any concrete evidences of social unrest. However, the war is but a year old.

Japan is in China to stay. Of that there is no doubt in my mind. All the previous assertions of her respect for China's territorial integrity can now be definitely discarded. Even though Japan did not at first intend to go beyond re-establishing military and political control over North China the situation has got out of hand. It has become increasingly evident that Chinese armed forces cannot prevent the Japanese from obtaining any reasonable military objective in China they desire. The toll the Japanese have been forced to pay so far has not been too great, either in man power or material. There should not be any great pinch if operational demands do not increase. Japan's immediate objective is to gain control of the entire Yangtze valley, the successful accomplishment of which appears to be only a matter of time depending upon climatic conditions. (Three months was the figure stated by a Japanese naval officer of the Special Service Bureau). Control of the Yangtze valley by Japan will divide China's Armed Forces. It is only logical that Japan will proceed against each separately, attempting first to stop the ingress of munitions and then to wipe out all resistance. In this connection the same Special Service Officer stated that after Hankow came Canton.)

It is apparent that the significance of the recent change in the Japanese Cabinet rests in the unification of various factions for the vigorous prosecution of Japan's announced policy to stamp out the Chiang Kai-shek regime. While several months ago there may have been a few backsliders not in favor of a further military extension in China, instead preferring to consolidate their present gains thus obtaining the economic advantages which would accrue therefrom, it is believed that such ideas have been once and for all discarded and that Japan is now embarked upon the several successive steps towards Asiatic domination which it was not her plan to take for several years to come. However, the unexpected strength and unity of the Chinese changed all this and she is now definitely committed to a program which she had hoped not to spring upon the world until she had consolidated her North China gains. It is now easy to understand the various periods of uncertainty which manifested themselves since the start of hostilities, the first of which was last August in the reluctance with which hostilities were accepted on the Shanghai front, next, in December after the fall of Hankow and later when operations on the Lunghai Railway were stalemated. All these moments of hesitation were doubts as to the advisability of jumping the gun on her program of Asiatic domination.

~~CONFIDENTIAL~~

Most everybody with whom I talked were agreed that the Chinese will make strategic retreats from both Hankow and Canton to the fastnesses of Yunnan, the Eighth Route Army doing likewise into Mongolia and that the Japanese will never be able to stamp out the armed resistance now centered around and directed by Chiang Kai-shek, thus forcing Japan to keep an enormous army of occupation in China for years to come. Assuming this to be true, what will be the result? Left alone, it is believed that Japan can get away with it. Her national economy is now being planned to take care of just such a contingency. The loyalty and patriotism of the Japanese are unparalleled. In no country is service to the country, devotion to the Emperor and self-effacement so manifest. Almost any situation can be hidden from 95% of the people unless some untoward event happens. Japan will throw money into China the same as she has into Manchukuo, but contrary to the latter there will be returns from the money she puts into China. The four hundreds of millions of Chinese must live, even though under Japanese domination. While much of Chinese productivity has been destroyed it can be rejuvenated. Japan alone will benefit because it is her intention to keep China, with its vast sources of raw materials and a market for which all the nations of the world have been striving for the past century and a half, solely for herself.

And we may well ask how does this affect us.

Since the beginning of the present century the United States has been looked upon as the foster parent of the Chinese, the guardian of her territorial integrity. Events of the past several years have destroyed to some extent this illusion. The Japanese, knowing full well the present international situation, realize that what they have to fear most in their present conquest of China is American public opinion. If American public opinion can be kept appeased, they believe they have not much to fear from third power interference. They know our stake in China is not great. It is plainly evident that they are prepared to take the necessary measures to prevent our national pride from being humiliated and they will not make an issue of the settlement of our claims for damages. But it will be a different story several years hence.

At the present moment Japan desires to keep the United States as its friend. The Fanyu incident was a close call. Such was very evident at that time. The Japanese Government was so concerned over the possibility of drastic action by us that they would have gone to almost any length toward conciliation.

Japan believes that the European situation is such that the hands of England, France and Soviet Russia are tied and will continue so long enough to permit them to gain their ends in China. Japan keeps before her mind the rise of England to world domination. Similarly an island empire she considers that she can just as readily obtain hegemony over the Orient. She has been likened to a crab crawling over the Orient reaching out one claw here and pulling in, then the other, consolidating what she has gathered and then moving slowly but surely onward. She is making preparations to continue this advance. Such plan is predicated upon the strength of her Navy. An observer who has just visited Muroran, and who also has had opportunity to become conversant recently with other munition manufacturing developments both here and in Manchuria told me two days ago that it was almost unbelievable the expansion that had occurred at the former place and, in addition, that Manchukuo in four or five years hence would be able to equal Germany's annual output of steel both in quality and quantity.

A summation of this report can be briefly expressed as follows: The Japanese are going places. For the present the United States has not much to fear. But when Japan has consolidated her gains in China several years hence, a clash with her is inevitable. This will occur at the first point where our interests oppose each other. ~~Such a point~~ ~~is inevitable.~~ At the present moment such point appears to be the Philippines.

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

ATTACHÉ'S REPORT

11510-N  
C-10-2

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for speedy disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or elsewhere, according to subject matter.

From NA/Tokyo Date July 14, 1938 Serial No. 155 File No. 102  
103-300  
(Commence new series each January first) (Subst proper number from O. N. I. Index)

Source of information .....

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

Reference .....

Note:—(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 Prospects After One Year's Fighting in China

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

22

DECLASSIFIED  
EO 11652, Sec. 2E) and 6D) or 6E)  
OSD letter, May 2, 1972  
By RT, DATE MAY 21 1973

Distribution:

ONI (7)  
CINCPAC (1)

Tech. Div.	C. in C. U. S.	Com. Div. Pac.	Com. Div. Far.	C. in C. Asia	Com. Div. E. S. E.	Com. Div. A. S.	Attended at	Operations			Status	Comments	Return to Source No.
								Com. Div.	W. P.	Com. Div. T.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all notations, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photo-copying.

~~CONFIDENTIAL~~

Report No. 153  
Japan  
July 14, 1938

100 - Political  
105 - International Relations  
300 - China

Japanese Prospects After One Year's Fighting In China

The Embassy has made the following report on subject matter which is quoted herewith as being of interest at this time. The Naval Attaché is in general agreement except as may be noted in the reports he has submitted from time to time, especially NA/Tokyo Reports Nos. 253-57 and 152-36.

I

"The course of the hostilities can be briefly outlined. On the night of Wednesday, 7 July 1937, Japanese troops stationed at Fengtai near Peiping engaged in practice maneuvers near Lukowkiao (Marco Polo Bridge). Chinese troops of the 29th Army were located nearby. About 11:40 p.m. firing broke out, probably commenced by the Chinese. Both sides sent to barracks for reinforcements. Japanese demand for apology by the Chinese commander was made without result other than resumption of firing. Fighting resumed in the morning with a score or so of casualties. A few days ensued with sporadic fighting here and there in the Peiping area, both sides apparently trying to decide whether the incident should be seized for taking a firm, uncompromising stand even at the cost of the long-awaited Japan-China conflict. In this atmosphere the fighting rapidly gained momentum and was shortly beyond possibility of control without serious concession on one side or the other, and neither side showed such willingness.

"On July 11 the Japanese Cabinet met and formally decided that Japan should stand its ground, send more forces into north China, and take any other steps necessary. On the following day the Tokyo stock exchange was a scene of confusion. On July 14 the Foreign Office spokesman at Tokyo announced that Japan would not be influenced by any attempts at intervention.

"July 28 large-scale military operations by the Japanese forces in the Peiping area commenced and proceeded rapidly. On August 11 the Japanese Navy announced the placing of a landing force in Shanghai. The Chinese, probably now resigned to a major conflict, and probably seeing advantage in bringing the fighting to a central area, familiar to themselves and well defended, showed no desire for compromise. Fighting commenced at Shanghai August 13. About the same date the Chinese laid down a barrier across the Yangtze river to prevent ships from sailing up to Hanking. By mid-November Japanese forces were in possession of the immediate vicinity of Shanghai, and on December 13 occupied Hanking.

"Early 1938 was a period of relative quiet in the hostilities. On May 19 Hsuehow, important junction point on the railway which connects Tientsin and Hanking, fell to the Japanese after a long campaign. Advance toward Hankow in June was impeded by floods from the broken dikes of the Yellow river.

"At the close of one year of the hostilities, on July 7, 1938, Japanese troops were spread out in nine provinces (Guhar, Suiyuan, Shansi, Hopei, Shantung, Homan, Anhwei, Kiangsu, Chekiang). The Japanese Government stated that the population of the occupied region is 150,000,000, that its area is 488,000 square miles, and that the fighting front is 1400 miles long.

~~CONFIDENTIAL~~

II

"Certain aspects of the manner of conduct of the hostilities are worth noting.

"Japan aimed at and hoped for a quick and decisive victory, to overthrow the government of China without need of a long campaign embittering to the Chinese people themselves. This was, in fact, a principal reason for launching upon the hostilities in 1937 rather than deferring the conflict. The plan for a quickly terminated action failed, however, and this failure was followed by a general assault on the Chinese nation. Involved deeper and deeper, the Japanese attack has had to be widely dispersed, spotty, and often ineffective. Attacks on railways have often resulted simply in a damaged roadbed promptly put back into running order. Bombing of military targets has been remarkably costly for the scant results attained.

"The manner in which the Japanese have waged the conflict has been severe on large numbers of Chinese. Military casualties have been enormous; the glory of having killed one million three hundred thousand Chinese, a number approximating the total fatal casualties of the French Army in the entire period 1914-1918, is claimed for Japan by the Premier. Atrocities have been numerous, partially inspired by Chinese disregard for the usual rules of conduct for non-combatants and for combatants as respectively distinguished; but however inspired, atrocities have been widely inflicted and profoundly resented. The conduct of the hostilities has been such as to arouse Chinese hatred in a degree of intensity surprising to Japanese plans. Refugees, relatives of soldiers killed, friends of victims of atrocities have spread wide throughout China a hate of Japan far in excess of the expectations of Japanese military leaders, believers in Chinese political indifference. The struggle is being fought with hardly any taking of prisoners. Its methods have been unnecessarily frightful. It is a conflict along lines of oriental brutality aggravated by the deadliness of mechanized weapons.

"The simple fact that Japanese rule means greatly restricted opportunity for Chinese, and that Chinese realization of this limitation of opportunity constantly feed the vitality of Chinese hatred and resistance, have largely escaped the Japanese mind. Some of Japan's worst mistakes in China can be set down to her narrow view, her congenital inability to see foreign questions in reciprocal terms.

"At the same time, with regard to the rights of occidental nations in general and of the United States in particular, the Japanese Foreign Office has shown a disposition to meet foreign desires when possible without jeopardy to the major objectives of the hostilities. The Japanese armed forces, on the other hand, have shown a tendency to ignore and to fail to carry out the Foreign Office's undertakings.

III

"At present Japan confronts difficulties of the first gravity. . . Important five-minister conferences have been in frequent session recently, and while little has been directly published as to agenda it can be surmised with assurance that the purpose of the conferences is to make the internal adjustments imperatively demanded by the conflict. Foreign relations or the conduct of the hostilities do not at the present moment call for any such

fundamental consideration of policy as has very obviously been in process in these sessions. The conferences are participated in by the Premier, the Foreign Minister, the War Minister, the Navy Minister, and the Finance-Commerce-Industry Minister. It can not be denied that huge problems demand their attention. More and more commonly the press and other Japanese sources admit mounting financial complications from this year's eight billion yen budget.

"A recent well-substantiated article (DIAMOND, June 1938) shows why relative success in the floating of bonds in the past months is no indication of the country's capacity for the much larger volume which must be absorbed in the future. The cost of the conflict can not much longer be deferred, as in effect it has been up to the present. The consequences of the hopelessly wide dispersion in China are becoming felt. The importance of savings as a means of taking up the increased money supply following upon the tremendous budget expenditures is receiving anxious emphasis. Exports have decreased and the state of foreign trade requires radical treatment, which has already commenced. Gasoline rationing and restrictions in the use of basic commodities have noticeably altered daily life in Japan, and progressively more stringent limitations have been decreed. The requirement of substitutes for cotton and wool in textiles for domestic consumption is going into strict enforcement. A serious leather shortage has produced a whole series of ordinances regulating use and price, so strict that most normal business in leather goods has been terminated; and resources of hides and skins in north China have been taken in hand by export control. An ordinance of July 9 has prohibited, except on special license, the manufacture of any of a comprehensive list of some hundred and thirty articles (from electric fans to elevators) in which iron and steel are used, and this prohibition goes into effect on August 15. A simple administrative authority to prohibit by ordinance the raising of prices in any field above those prevailing on the day before issue of the ordinance has come into existence, and has been invoked for certain commodities. Strategic metals have been subjected to special prohibitions. The Minister of Agriculture and Forestry has permitted the publication of an article under his name (KAIZO, July 1938) in which sober discussion is given to rural labor shortage, scarcity of horses, scarcity of chemical fertilizer, and the difficulty of self-sufficiency if the hostilities continue for years to come and foreign trade complications practically out off imports. Thirty-eight thousand Japanese killed are admitted by the Premier, probably about one-third of the true number; credible estimates place not less than a million Japanese under arms in China within this first year; and if comparable conditions are to continue in the conflict the shortage of men must be felt in the national economy.

"Changes in organization of the Cabinet and the fact of dual positions held by one Minister raise the question whether some preparation is in process toward an even more highly centralized control, or whether the explanation lies in the sheer convenience of a small cabinet group. It is too early to say where the answer lies, but the phenomenon deserves present note and future observation.

#### IV

"The prospects for Japan appear to be probable military victory, doubtful advantages consequent upon success in arms, and absolutely certain decline in the Japanese standard of living.

"In spite of the great military difficulty of prosecuting a campaign so widely spread out and so deeply penetrated into the interior as is the Japanese campaign in China, the most optimistic Chinese anticipations of the ultimate effectiveness of guerrilla operations seem to overlook the realities. However, great the strain of the hostilities on Japan, China's organized resistance is dependent upon the backing of some kind of economic structure, and that structure (at least so far as it serves arms) has been gravely weakened. In large-scale economic organizing power Chinese are weak when actual execution is in question; talk of rapid industrialization in interior China is indicative of bold imagination, but foreign observers visiting Tokyo after travels in China report almost no progress in such plans. Currency collapse of the Chiang Kai-shek government is a not remote prospect. The business group which is the core of his support may well give way in the face of the cost of this conflict. In that event the effectiveness of Chinese resistance becomes a question; and it is not clear that popular bitterness against Japan, which has unquestionably penetrated throughout the Chinese nation, could pursue any effective military activity. It seems never to have been a necessity of acquiescence by Chinese in their governing that they love their governors. A desire to be let alone tends to make the Chinese peasant indiscriminating in his acceptance of rulers. In short, during this conflict Chinese optimism in forecast has persistently been followed by Japanese advance in fact, and it is difficult to see what turn in China itself can reverse the history of these months.

"But this is not to claim that in other than military ways Japan has clear sailing ahead in China. Not organized Chinese opposition but the size of the task is Japan's ultimate problem. Full accomplishment of Japan's grandiose plans on the continent would demand Chinese cooperation; and although effective military resistance by China is not foreseeable it is equally difficult to foresee what can bring the Chinese to the peace-time cooperation which is desired of them. This conflict has been fought in a way which leaves the wound deep. Serious doubts and questions confront any attempt at planning the permanent consolidation of the gains which Japan has hoped in China.

"There are few unknowns, however, in the data on which is predicated the confident prediction that times of severe economic stringency are what the population of Japan must face. The consumption restrictions are preparatory, there can be little doubt, to modifications in the entire people's economy to a strictly wartime basis. These modifications should not be conceived as superficial only. There is every likelihood that they will be so sweeping as to constitute, in consumption standards, a major movement in the direction of reversion to Japan's indigenous economy.

"Such reversion is not as difficult in Japan as it would be in a western country. The changes which have come over Japan in the wake of industrialization are a matter of a generation or so, and many of them are so recent that they can be abandoned without resistance. Culturally, an indigenous Japanese stock has continued to grow with often surprising persistence through the short period of contact with western nations, and a similar statement could be made of the manner of living. The future promises a large-scale movement back toward that manner of living. Of course the country's industrialization will not be scrapped but henceforth the industrial structure becomes more and more exclusively a tool of Japan's arms and continental program, and less and less an instrument serving the consumption requirements of the Japanese nation."



Report No. 175  
Japan  
August 11, 1938

~~CONFIDENTIAL~~

100 - Political  
103 - International Relations  
300 - U.S.S.R.

### Soviet-Japanese Relations

Although there have been many border disputes in the past three years, the present localized hostilities on the Soviet-Manchukuo border having the background possibilities for development into major proportions, the following brief resume is submitted:

A Soviet patrol on 11 July occupied Changkufeng Hill near the southern end of the eastern Soviet-Manchukuo frontier. According to Domei, this Soviet unit thereupon commenced entrenchment works and was reenforced by others who continued to fortify the position. On 14 July three Japanese gendarmes attempted to reconnoitre the Soviet position and withdrew after the Soviets fired upon them during which they suffered one fatality. Diplomatic negotiations were then put into progress, the Japanese demanding the Soviet withdrawal from Manchukuo territory while the Soviets rejected the protests, asserting the spot to be Soviet territory. (According to the investigations of a foreign correspondent in Tokyo, the Soviets had occupied at various times Changkufeng and withdrawn without fortifying it. This cannot be verified.)

Moscow reports (not published in Japan) indicated that joint Japanese-Manchukuo forces attempted to drive out the Soviets on 29 July without success. On the morning of 31 July, according to Domei, Japanese and Manchukuo troops expelled the Soviets from Changkufeng and Shatsaoping. This was said to have been as a result of a Soviet attack on the night of 30 July of which no details were given. According to a Foreign Office official, this Japanese attack was ordered by the Commander on the spot without authority from the General Staff in Tokyo nor knowledge by the Foreign Office. According to the Tass correspondent in Tokyo, the Russians counter-attacked on Monday 1 August recapturing both positions. This was denied by the Foreign Office spokesman informally on 4 August and later this rumor was dignified by a formal announcement by the Foreign Office. Brief communiques from the Kwantung garrison and the Korean Army stated the Soviet counter-attacks on the evening of 31 July were repelled, aerial raids on 1 August were countered with heavy losses to the Soviet side.

Although no notice was given, it is known that the Japanese authorities exercising the authority of the Press Control Law placed a thorough-going press ban on both publication of independent information concerning the border dispute and any comment on same, permitting only word-for-word publication of official communiques. These official notices are released to the press as tardily as two days old and relate to sporadic fighting with the assertion that Soviet losses have been heavy, admitting at the same time that Japanese losses were about 450 casualties, dead and wounded, up to 7 August.

Preparatory light control was placed in effect throughout all of Japan, specifically in the Moji-Shimonoseki, Osaka-Kobe-Nagoya, Tokyo-Yokohama areas and other industrial-military areas on 2-3 August.

Some observers are of the opinion that the Soviets deliberately invoked this border crisis for the following reasons:

1. To slow up the drive on Hankow by causing the withdrawal of Japanese forces from China to Manchuria and thereby

—

\* \* \*

encourage activities by the Chinese guerrilla units and People's Army.

2. To bring Japan to a position where diplomatic protests failing she would have to show force to avoid losing face over the incident, failing such action the loss of face would encourage anti-Japanese activities in Manchuria and North China.

3. As a means of quieting the rumored dissatisfaction over the recent purges in Russia by finding an active foe abroad.

It is believed that the truth perhaps lies embedded among the above motives; also that the Soviet Far Eastern Army is prepared and determined to cope with the Japanese forces if the latter attempt large scale operations.

All observers agree that the present time is not propitious from Japan's point of view for Soviet-Japanese hostilities but all do not agree that conversely it is Russia's most propitious time.

A minor official in the Home Office stated on 8 August that the situation was far more grave than the papers were allowed to relate and that the Japanese proposal for cessation of hostilities was sincere, yet the heavy troop movements that have been under way since 1 August were to reenforce the Korean-Manchukuo-Soviet border in order that a telling blow could be struck when and if required.

The Italian Naval Attache, who, it is believed, has access to information denied other Attaches, informed me two days ago as follows:

"At first I discounted the seriousness of what was happening in the vicinity of Shatsaoping-Changkufeng. I now believe otherwise. Six high ranking Soviet military officers left Moscow a few days ago for the East. Moscow, while not prepared to go to war, is egging on the far-eastern Army under Bluecher to clash with the Japanese in a major way believing that they (the far-eastern forces) will be washed out by the Japanese thus continuing the 'purge'." He states that the Japanese Navy officials do not seem to be highly interested in the situation.



Report No. 200.  
Japan.  
October 6, 1938.

~~CONFIDENTIAL~~

102-100

"Strategic Value of Hainan Island" by T. Ikezaki.

A translation of subject article is herewith quoted as of general and timely interest.

---

Recently the occupation of Hainan Island is being persistently urged in various quarters. Apart from the question of right or wrong, it might not be entirely superfluous to consider from the Japanese standpoint the strategic value of its occupation.

Hainan Island lies from Lat. 19° N. to Lat. 20° N. Since it is approximately 600 nautical miles from Formosa, naval vessels with a speed of around 15 knots can cover the distance in less than 2 days. More significant is the fact that the relative position of the island to Hongkong and Kwangchow Bay is such as to enable its occupant to bring pressure to bear upon these two important points. Thus should Japan seize the island, Hongkong and Kwangchow Bay should be threatened by both Formosa and Hainan Island, that their strategic value would be considerably reduced. Particularly, as Hainan Island is situated to the south-west of these two places, by its occupation Japan would be able to effect a perfect control of the South China Sea sea-routes, and to cut the line of communication between Hongkong and Singapore on the one hand and Kwangchow Bay and Haifang (Haifong) on the other, aggravating the danger of isolation of the former two bases.

One defect of the island in question is that it lacks good harbors. Even at Haikow (Haikow), the only trade port, steamers of from 2000 to 3000 tons are required to anchor about 3 nautical miles from the shore. To convert the port into a naval base would entail considerable expenditure. However, it should not be overlooked that the island can provide wartime bases for small craft. For example, Yulin in the south and Tsinglan in the west section of the island can be utilized as bases for medium and small sized destroyers and submarines. Japan's appropriation of these harbors would result in an immediate menace to Hongkong and Kwangchow Bay.

Should powerful air bases be established at these ports in addition to bases for various small craft, the strategic value of the island would be greatly augmented. Without doubt the Luichow Peninsula beyond a channel 12 nautical miles wide would be brought under the control of our air force.

That the total area of the island is greater than that of Formosa adds to the strategic value of the island in question as naval and air bases. The island produces various foodstuffs and to a certain extent, the necessities of life.

From the strategic viewpoint, the occupation of Hainan Island would mean pushing forward Japan's sea-frontier 600 nautical miles to the southward. This would result in an epoch-making change being brought about in Japan's plan of operations in the South, necessitating a radical change by the British in their plan of operations against Japan with Singapore as the base.

---

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

ATTACHE'S REPORT F-6-e/22379-4

Forward extra copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for  
prompt dissemination of information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter. 1150

From NA/Tokyo Date Oct. 19, 1938 Serial No. 216 File No. 900-907-  
(Compass copy sent with January issue) (Index proper number from O. N. I. Index)

Source of information Various

Subject JAPAN Navy - Operations  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

NOTE—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 Army-Navy Joint Operations - BIAS BAY

NOV 8 1938

25

Enclosure will be filed in G. & Section

Yank. Div.	C. in C. U. S.	Com. Bat. For.	Com. Bat. For.	C. in C. Asia	Com. S. E. A.	Com. Afr.	Attended at	Originator	State	Com- mander	Return to Bureau No.
								Com. Div.	W. P.	Com. P. V. T.	

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform to size with this form where practical. Submit extra copies of drawings, enclaves of sketches, etc., where practical. If practicable, submit sketches in suitable style for microphotographing or photostating.

Report No. 216  
Japan  
October 19, 1938

900 - Navy  
907 - Operations

Japanese Army-Navy Joint Operations - BIAS BAY

The assembly and embarkation of troops late in September from Central China (Shanghai-Woosung embarkation) and North China (Tsingtao) with a southern destination was reported by the Shanghai foreign press (but not permitted in Japan). Other troops from Japan proper and Formosa were also embarked, their transports ("a great many") and naval convoy ("not augmented by any ships of the Combined Fleet") making a secret rendezvous "near Formosa" (presumably at or near Bako, Pescadores Islands) the early part of October. The expedition which was under the direction of Imperial Headquarters and commanded by Vice Admiral Shiozawa, Commander-in-Chief of 5th Fleet, departed (presumably early in October) for their landing objective (Bias Bay). Enroute all ships were darkened at night and if past practices were adhered to took an indirect route so as to avoid shipping lanes, using smoke screens for concealment when other ships were sighted.

A Reuter's dispatch\* dated 11 October from Hongkong reported seventeen Japanese transports lying off Bias Bay, was denied officially abroad\*. An unofficial request by the Hongkong government for future food supplies from Manila to supplant the anticipated cutting off of vegetables, meats, cereals, etc. by a Japanese attack on the Kwantung Province and the outline of the information of the British Naval Attache, Tokyo (Assistant Naval Attache Memorandum to Naval Attache sent in last pouch) indicates that the British authorities both at Hongkong and abroad were well served by reliable intelligence and it is inferred that the Chinese authorities at Canton were not unaware of the impending attack. "The Naval force which was composed principally of vessels of the 5th Fleet (Southern China Waters) augmented by some craft of the 4th Fleet (Northern China Waters) included cruisers, destroyers, mine-sweepers, seaplane carriers and others. Units of the Combined Fleet were not used in this expedition".

The landing points had been previously carefully surveyed enabling the convoy and transports to enter Bias Bay and make their surprise attack. The weather was excellent, a glassy sea facilitating the landing operations<sub>2</sub>.

The landing was effected at dawn 12 October "by the Naval Landing Force under an air and sea bombardment" along the northern shore of Aling Bay, on the west side of Bias Bay and at the Panashan battery south of Aling Bay<sub>2</sub>. (The Japanese public was not informed of the locality of the landing until 1200 on 14 October by application of the restrictions of (a) Newspaper Law of 1908, (b) Military Secrets Protection Act, and (c) Publications Section of the National Mobilization Act). After occupying these points and securing the landing the Army units were landed (estimated at 35-40,000) and proceeded rapidly inland against practically no opposition.<sub>2</sub> "The Naval Landing Force was not a special force but composed of the landing force of all the ships present and hence was returned to their ships to resume their ship-board duties".

"The transports were ships requisitioned from Japanese shipping companies and not specially fitted. They lowered their boats and when waterborne, the troops were embarked". (An attempt was made to elicit from the Senior Aide the use of special landing-boat ships - NA/Tokyo Report No. 17-38, but Captain Ichimiya flatly denied the Navy possessed any such craft and stated that if the Army had any, he had never heard about them, but admitted such a ship was a novel idea).

Naval aircraft made daily reconnaissance flights to determine the location, strength, and disposition of the Chinese troops, bombed and destroyed several iron bridges on the Canton-Kowloon Railway to block the bringing up of reinforcements and bombed Chinese troop concentrations. Dornel stated that naval landing units continued to occupy islands in Hias Bay and naval vessels patrolled the entrance to Hias Bay to prevent entrance of 'suspicious vessels'.

The Senior Aide stated that as the approaches in the Pearl River were heavily mined and blocked, any sweeping operations there would remove the 'surprise element' and thus an attack on Booa Hgiris would be extremely difficult. He added that such an operation was unnecessary as the Army could advance from Hias Bay and out the Canton-Kowloon railway (effected 18 October) and then proceed to envelop the Booa Hgiris and Whampoa forts from the rear inferring that a direct naval approach to Canton would be delayed until such a rear envelopment was accomplished.

\* - Not published or announced in Japan.

\* - Stated by Senior Aide to Navy Minister, Captain Ichimura.

2 - Statement by Imperial Headquarters.

COMMENT:

The landing at Hias Bay was not unexpected. Threats of such military operations in South China had been evident since early last January. After the fall of Hanking it was reliably reported that a large number of troops had been assembled in Formosa under the command of General Matsui and that the harbor of Takao was full of empty transports. These were withdrawn a few months later.

In HA/Tokyo Report No. 153-36 it was reported that if operations against Hankow were delayed or held up by floods, a movement against Canton would be made and that a Japanese Naval Officer had stated the time limit for the capture of Hankow to be three months from July 1st. He also stated that, in any case, Canton would be taken either before or after the fall of Hankow. During September it became increasingly evident that the Japanese were meeting unexpectedly stiff resistance in their Hankow campaign and that their advance had been practically stalled several times. This fact, together with the resignation of General Ugaki which undoubtedly had some bearing upon the question of increased military operations in China, led many to believe that military operations would start shortly in South China.

There is no question but that Japan is now making its supreme effort to crush Chiang Kai-shek and his allies. Should Hankow still remain in his hands on March 1st, even though Canton has fallen and the Japanese are advancing northward along the railway, it is my opinion that Soviet Russia will consider Japan to be sufficiently exhausted as to make the time opportune for attack.



Report No. 236  
Japan  
November 28, 1938

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Tokyo Naval Attache's Third Visit to Shanghai (November 1938)

Under authorization of the Navy Department I proceeded to Shanghai to confer with the Commander in Chief Asiatic Fleet, arriving 1800 October 31st and departing 1200 November 14th.

The primary purpose of the visit was practically the same as that which prompted the two previous ones, in September 1937 and June 1938; i.e. to acquaint myself with the existing situation as it appeared from China, thus being in a better position to make an estimate of the military situation and to attempt an analysis of Japan's policies in regard to China and the changes in trends and actions which were now becoming evident here. Another reason for the visit was a self-assumed liaison between the American Ambassador to Japan and the Commander in Chief, U.S. Asiatic Fleet.

While probably of not much consequence to anyone but me, it appeared that my visit was well timed. The American Naval Attache to China arrived in Shanghai during my visit. He had made a hurried dash to South China, hoping to get to Canton before it fell. In this he was unsuccessful but did bring back interesting news from the south and especially from Hankow and Changsha where Captain McHugh, U.S.M.C., one of his assistants, has been almost continuously. Of vital importance, as it has been from the first, is the political, military and moral capacity of the Central Government for further resistance. Commander Overesch's estimates in regard to that, together with the opinions expressed by Captain Carlson, U.S.M.C. who had just returned from ten months spent with the 8th Route Army in Northwest China during which time he had penetrated behind the Japanese lines, are considered of considerable importance at this time. I also had the advantage of daily consultations with Admiral Yarnell and members of his staff, together with access to their Intelligence files; frequent talks with Mr. Gauss, the American Consul-General, Major Hagen, the Assistant Naval Attache, and Captain Ogan, our resident naval officer. I also conversed at various times with Colonel Fegan and other officers of the Fourth Marines; Vice Admiral Naokuni Nomura, Japanese Naval Attache in China and head of the temporary Naval Special Service Section of the Japanese Fleet in China Waters; Mr. Hidaka, the Japanese Consul General; Mr. McKay, head of National City Bank; Mr. Boardwell, acting head of the ex-Dollar Line; Mr. Toogood, head of Standard Vacuum; Mr. Cress, in charge of Chrysler's Far Eastern Department; Mr. Buntland, Asiatic Petroleum Company's representative at Changsha; Mr. Zealand from Sinan-fu and several other business men in similar or lesser capacities; Major General Telford Smollett, commanding British Army forces in Shanghai; the senior British and Italian Naval Officers afloat; the Danish Consul, and last but not least, Captain Douglas, a British Naval Reserve Officer in command of the EMPRESS OF JAPAN, who has kept his eyes and ears open during the past sixteen months to the benefit of the British Naval Intelligence Service.

Important and highly significant events had occurred since my visit last June. At that time a matter of concern was the underlying motive for the reorganization of the Japanese Cabinet in June and what would be the immediate results thereof. As a result of that visit I became of the opinion, doubtless shared by countless others, that certain changes had been made in the Cabinet to obtain unity of thought and action for prosecuting the war to the extent desired by the military, which was none other than complete conquest of China with no withdrawal afterwards.

CONFIDENTIAL

Early in August the picture began to unfold itself. Unexpected difficulties began to be encountered by the Japanese in the Hankow campaign both from Chinese resistance and the elements. While the Japanese advance to the Wuhan cities did not bog down completely, it was not as rapid as hoped for. As predicted in my report No. 152-39, if the Japanese advance was held up temporarily, a move on Canton might be precipitated. But events other than Chinese resistance and the elements were the controlling reasons for Japan's sudden decision to move against Canton. General Ugaki was Foreign Minister. He was known not to be in high favor with the very positive military element which had, more than ever before, obtained control of the Japanese Government. A man of character, force and integrity, his recent appointment as Foreign Minister came as a surprise to many. Ugaki's announced intentions to foster and hasten Japan's relations with Third Powers, especially England, France and the United States, were never to the liking of the Military. Unmistakably, considerable friction had developed within the Cabinet, especially in the Inner Cabinet composed of the Premier, Foreign Minister (Ugaki) and the War, Navy and Finance Ministers. The Inner Cabinet, aided and abetted by those two firebrands, Admiral Suetugu, Home Minister, and General Araki, Education Minister, eventually forced the China Board down Ugaki's throat. The adoption of such was the announced cause of his sudden resignation last September. It probably was the last straw which caused him to get out but behind the scenes there were undoubtedly more poignant reasons. First of all, the Navy, which had been clamoring for the isolation of Hongkong ever since the blockade was established last year, to be followed by a still further move to the southward against the Island of Hainan and into the Tonquin Gulf, had persuaded the Army to join them in their demand for the Canton campaign. Events in Europe prior to the Munich Conference had told them that little was to be feared at the moment from England. While hind sight is much clearer than fore sight, it is well known that the Canton campaign had been threatening for over eight months and that the reason for its being held in abeyance was the fear by the non-military element in the Cabinet of British repercussions. After the Cabinet was re-organized last spring the military began to gain such control that they were finally able to override the objectors. The objections of the Foreign Minister were undoubtedly based upon his fear that such a campaign would nullify his efforts to keep Third Powers placated. It also may have been Ugaki's opinion that Japan, under its present military domination, was going places beyond its power of assimilation and that he could not conscientiously remain in power and be a party to its downfall. But, whatever may have been the reasons, he resigned in September. His successor, Arita, appointed after considerable political jockeying, has undoubtedly made a complete surrender to the Military. Unless something unforeseen happens, we can rest assured from now on that our protests will fall upon deaf ears.

The Ugaki elimination was the first of the above-mentioned significant events which had happened in the interim since my last visit. The second was the Munich Conference. The aftermath of that conference gave Japan added confidence in its ability to see the China War through to the desired end. Where first she stepped rather gingerly, fearing at almost any moment intervention or some other action by Third Powers, the results of the Munich Conference confirmed her belief that England, whom she most feared, was for the time being impotent, while previous events during the past twelve months had shown her that France and Russia were practically tied to British action. Nevertheless, that intangible, uncertain power, the United States, still remained. Fortunate indeed for Japan was the Munich Conference and subsequent events in Europe, particularly Hitler's and Mussolini's anti-Jewish campaigns. Those events were so much greater interest to the American Public as to crowd off the front pages of our press the extremely critical events

~~CONFIDENTIAL~~

which were happening in the Orient. This fact, though, may be a blessing in disguise to the United States Government.

The third significant event was the military's complete and convincing success in the Canton and Hankow campaigns, together with Great Britain's apparent apathy at the losses to her prestige and interests which resulted from the fall of Canton. Many are the reasons advanced for the sudden fall of that city. Some are rather fantastic, such as the bribing of two Chinese Generals by a down payment of thirty million each in yen or yuan depending upon where the story is told. Other theories advanced are the Generalissimo's reported lack of confidence in his Cantonese generals and that of Chinese strategy of choosing its own battle ground. The latter appears to be more in keeping with what has happened in the previous campaigns of this war. But of one thing I am certain: the Japanese were prepared for real resistance and were surprised at the sudden folding up.

The fourth significant event was the presentation of the October 6th note by the United States followed a month later by more or less identical notes from Great Britain, France and the United States on the subject of freedom of navigation of the Yangtze. As is well known to the Department, these latter notes resulted from Admiral Yarnell's statement that the time would soon come when it would be imperative for his gunboats to have a certain freedom of movement on that river. While Japan's replies had not been made at the time of my visit there was considerable speculation as to what the answers would be and what would be the next step when the almost assured unsatisfactory replies were received.

Japan's announced military intentions are to stamp out the Chiang Kai-shek regime and all other anti-Japanese elements in China. Whether or not she can accomplish them still appears to be a matter of endurance, financial and otherwise. As predicted in my previous report it is evident that the Japanese can gain any reasonable military objective in China they desire. Nothing has occurred to disprove this. Left alone, it is almost certain they can conquer China from a military standpoint. Chiang Kai-shek's announced strategy is purely defensive. He hopes to force Japan to become so over-extended militarily and financially that she will break. He does not intend to resist Japan frontally. He is banking upon a defensive warfare, forcing his enemy to defend long lines of communication necessitating possibly the maintenance of an army of a million men in the field; constant harassment of these lines of communication both from the flanks and from the rear; refusal of his Chinese in occupied territories to accept Japanese domination; guerilla warfare and kindred acts. It is my opinion that Chiang Kai-shek's case is practically hopeless unless outside help is received. Japan will use the same tactics in China as she has in Manchoukuo. There, in the few years immediately subsequent to 1931 where Chinese guerilla forces, commonly called bandits, were counted by the thousands, they now number but hundreds and are fast disappearing. The Chinese are not a militaristic race. They have been conquered before and they will undoubtedly be conquered now. Where the Occidental would probably be worn out and broken down by the many and repeated acts of sabotage which the Chinese are now inflicting and will continue to inflict, the Japanese will stand up. Under military leadership they become a cruel, determined war-like race. They are now under a military-fascist domination which has no contemporary parallel. Their past history has been one of continual strife and warfare both within and without. Their present program in China is one not foreign to their nature. True, all will not be clear sailing for the Japanese. They will receive setbacks. But their military leaders, now the absolute masters of the Government, know what they wish and, more important, exactly how to accomplish it. They are

as persistent as the surf which breaks upon the shore, gradually but surely wearing away all in its path. Their government has no threatened change of administration every four years with which to contend. Their basic national policies are formulated, not overnight, but for the far distant future. They have announced their China Policy as "immutable" and just that it is. We have considerable to learn from the Japanese. Physically and temperamentally they are as hard as we are soft. Pacifism, communism, labor agitations, student movements, conscientious objectors and matters of similar ilk are completely out of the Japanese picture. General Itagaki, the War Minister, very aptly expressed it when he said that Japan's strength lies in the realization of all classes of the people that everything they possess is now subordinated to the divine will.

As to Japan's economic structure: there are no outward signs yet of its breaking. It will stand up under the present strain for several years to come even though she has deliberately curtailed, almost to the point of extinction, certain industries upon which her rise to industrial strength has depended. While it is true that there are certain economists in Japan, also a few industrialists, who are crying wolf (under their breath) there is no question in my mind but that Japanese finance will stand up for at least another two years. Our Government has competent observers here, experts in their line, who have watched the situation closely. None that I know of disagree radically with me in the above observations. The war has cost Japan seven and a half billion yen in the first sixteen months. At the end of two years it is expected that it will cost Japan between eleven and a half and twelve and a half billions. Economists estimate that Japan can stand an expenditure of from ten to twenty billion yen per year for a period of five years to carry on the war. The standard of living has not as yet retrogressed to any great extent. Should it become necessary, however, Japan is prepared to go back to its standard of thirty or more years ago.

As regards the Chinese: it is apparent that there are now two forces with which Japan must contend - first, the National Army under the Generalissimo, and second, what is commonly known as the Red Entity in Northwest China. The latter is apparently more than a mere Army. At the present moment it is a military, political, economic and social organization which might conceivably become China's "Valley Forge". Captain Carlson states that it is not "Red" in the generally accepted meaning of that term; instead it resembles Social Democracy rather than Communism. Less than three years ago Chiang Kai-shek was fighting this organization. Now, if reports are true, he is beginning to accept their tenants of nationalism and, while there is not yet actual cooperation between the two, there is considerable moral cohesion.

Reports are to the effect that Chiang Kai-shek has cached in Yunnan some forty or more percent of the munitions that have been coming to him for the past twelve months from South China. Even at that it cannot be seen how either his Army or that of the 5th Route can stand up frontally against any Japanese advance. How long either can continue a purely defensive warfare with only rifles, bayonets and hand grenades against modernized equipment, artillery and airplanes is a question. Some say six months, some say a year.

The present situation as it concerns the United States: the fall of Canton and Hankow has brought more to light than ever the real intentions of the Japanese as regards Third Power interests in China. Elated by their military successes and confident of their ability to make an economic success of their China venture, they have announced to the world that a new situation has arisen in the Orient and that it will be necessary for Third Powers to understand that situation before they will be permitted to exercise the rights

~~CONFIDENTIAL~~

they have previously enjoyed in China. The significance of this might briefly be expressed in slang: "If you want to play ball you must play according to our rules". Third Powers' trade with China is hereafter to be under Japanese domination. In fact all China's relations with the outside world will be similarly controlled. Japan's nullification of Third Powers' interests in China will be as complete as in Manchoukuo. Freedom of navigation of the inland waters of China, extraterritoriality and foreign concessions in China such as the International Settlement and the French Concession in Shanghai may soon become only interesting facts in history. If Japan has her way China will be as dark to the Occidental as Manchoukuo is now.

The Japanese Navy has been engaged in a quasi-naval war for the past sixteen months. While her battle fleet has not been in actual fleet combat, nevertheless it cannot but have profited in so far as efficiency is concerned, by being in a state of readiness for action during all that time. So far as can be learned, fleet units have been in full commission, i.e. fully manned, fuelled, ammunitioned and supplied. Its training has probably been that of a fleet which must be ready at any moment to meet an enemy. It is known that it cruises at high speed during daylight and darkened at night. Parts of it have been on blockade duty winter and summer. The smaller units have been in actual combat with an enemy. Certain parts of the fleet have carried out joint operations with the Army. A very high technique in convoy work, in supporting a landing and in actual landing operations has undoubtedly been developed. The operations of lighter units on the Yangtze and Pearl Rivers appear to have been arduous and to have been carried out under conditions of modern combat not experienced by any Navy during the past two decades. During these operations mine-sweeping, defense against aircraft, defense against small torpedo boat attacks, escort duty and landing operations have been conducted. Older officers in our Navy who know the difference between peace time training and war operations surely appreciate the beneficial training resulting from such operations. Furthermore, the opportunity the war has given Japan to increase her naval establishment should not be overlooked. As has been previously reported large increases in funds have been appropriated by the Diet, but this does not, it is believed, represent all the money that has been made available to the Navy. For the two fiscal years ending March 31, 1939, the officially appropriated funds for the Third Replenishment Program has been Yen 717,000,000, the total cost of which program, extending over a period of five years, will be Yen 1,138,000,000. What the unofficial funds amount to is not known but some estimates are to the effect that the war chest augmented by juggled appropriations will about double the funds officially appropriated for increase of the Navy.

Last and most important of all factors tending towards developing the efficiency of the Navy has been the opportunity given to Japan for employing in actual combat that newest weapon of all, naval aircraft. No other first class Naval Power has had similar war experience or anything even approaching what Japan has enjoyed. Consider the position of the Japanese Navy in this respect: From August 12th 1937 her naval aircraft have been continuously employed in combat operations. In fact, during the first six months of the war the only aircraft so employed to any extent were naval aircraft. Her aircraft have engaged in every type of offensive and defensive warfare except possibly torpedo firing. She has operated carrier-based planes from carriers, seaplanes from cruisers, seaplanes from tenders, shore-based planes from air bases in Japan proper, Formosa and Kwantung. Her planes have engaged in all types of offensive missions against an enemy - observation, bombing, strafing, protection of bombing squadrons and support of ground forces. While

aircraft losses have been heavy, the experience gained must have been invaluable. This applies not only to operation experience but also to the development of material. Of all weapons employed it is doubtful whether any arm has benefitted to the extent which aircraft has. Where, before the war, it could truthfully be stated that Japanese naval aircraft were several years behind our own, it would be most unwise for a nation to hold such an opinion today. Furthermore, it would be just as unwise to discount the quality and ability of Japan's aviation personnel.

Japan's Naval Strategy in a War with a Major Power:

Japan's announced building policy is to build a fleet in accordance with her national traits and characteristics which will be able to defeat any fleet a single Power can bring against her in the Western Pacific.

This does not imply that Japan's strategy is a defensive one, that she would not attack until attacked. On the contrary, she undoubtedly would not hesitate to undertake offensive operations but not beyond supporting distance of her strategically excellent geographical position. By this is meant that Hongkong, Singapore, Dutch East Indies, Philippines, Borneo, Guam, Aleutian Islands and possibly the Hawaiian Islands would be in jeopardy depending upon who challenges her efforts at Asiatic domination. But, the decisive fleet engagement in any naval war in which she engages would be in waters of her own choosing. These waters would be none other than those encompassed by Japan proper and its many outlying islands from which her fleet would have the support of aircraft and submarines operating from numerous mobile and immobile air and submarine bases. That factor is one reason why it appears most logical for the Japanese Navy to concentrate upon building mobile seaplane units rather than upon the more expensive and vulnerable carrier type.

---

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

ATTACHE'S REPORT

Purport given copies (original and six copies); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Dec. 30, 1938 Serial No. 255 File No. 104-200  
(Commence new series each January first) (Indicate proper number from O. N. I. Index)

Source of information The ORIENTAL ECONOMIST

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

Reference

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

Extracts from Speech by Lieut-General Tojo, Vice-Minister of War and Pertinent Comments Relative Thereto (BY ORIENTAL ECONOMIST)

JAN 13 1939

DECLASSIFIED  
 EO 11652, Sec. 3(E) and 3(D) or (E)  
 OSD letter, May 3, 1972  
 MAY 21 1973  
 By RT, NARS Date \_\_\_\_\_

27

*Do not send to Archives*

Report No. 265  
Japan  
December 30, 1938

Extracts from Speech by Lieut-General Tojo, Vice-Minister of War and Pertinent Comments Relative Thereto (By ORIENTAL ECONOMIST)

~~CONFIDENTIAL~~

The following extracts from an article in the December issue of the ORIENTAL ECONOMIST is quoted as showing an increasing opposition to the Army's domination of National Affairs:

"The speech delivered at a meeting of munition-makers on November 28 by Lieutenant-General Hideki Tojo, Vice-Minister of War, merits attention in more ways than one. All opinions expressed by military authorities, publicly or otherwise, seem to go uncriticized these days. The War Vice-Minister's address in question was no exception, for apparently not one newspaper or even a periodical in Japan commented on it at the time. That, however, does not alter the fact that the speech was pregnant with significance.

"It is patent', said Lieutenant-General Tojo with confidence, 'that the Chiang regime is in a position to continue its anti-Japanese policy persistently, because it is given moral as well as material support by Great Britain, France and Soviet Russia.' In regard to the Far Eastern policy pursued by the Soviet Union, he said that Japan must become thoroughly prepared for a conflict with her, which, he would have one believe, is doomed to be unavoidable. While predicting that the three aforementioned Powers would tenaciously continue assisting Chiang Kai-shek, he observed that the future attitude of the United States of America must be carefully watched in view of her reluctance to recognize the changed situation on the Asiatic continent, where she insists on having the old treaties respected by Japan. Willingly or not, Japan must needs have armaments, the Lieutenant-General continued, sufficient to fight a possible war on two fronts with Soviet Russia and China. Until such preparations are made, he went on to say, Japan will not be able to end the Sino-Japanese hostilities successfully and satisfactorily; nor will a lasting peace be established in East Asia.

"Two questions suggest themselves. One is: Why was such an important national policy announced by the Vice-Minister of War, instead of by the Premier or the War Minister?; and the other: Is the opinion voiced by the Vice-Minister of War tenable in its entirety?

"We find it difficult to understand why the Vice-Minister of War was called upon to make public that important national policy. If circumstances did not permit the Premier of the Foreign Minister to do so, it may have been well for the War Minister to undertake it. Although a very high official, a vice-minister is after all an administrative official, and never has an administrative official of any ministry made public the highest state policy. We know for a fact that the War Minister happened to give an address at the same meeting. We are at a loss to understand what caused the Army, which is always in perfect order and under strict discipline, to deviate from the beaten track in this instance.

"The Army has always occupied a very important position in Japan, but never has its opinion carried greater weight both at home and abroad than at the present time when Japan and China are at war. It is imperative, therefore, that the Army should use the utmost discretion in regard to what it says and does. That is a duty devolving upon all of those who play a leading part in the formulation of national policy.

"We should like to know whether or not Lieutenant-General Tojo's remarks had an unfavorable effect on Japan's international relations. According to a certain English newspaper, they caused a sensation abroad, and the Spokesman of the Japanese Foreign Office is said to have found it necessary to point out repeatedly in his interviews with foreign correspondents, that the comments should be regarded merely as a view held by the military on international relations.

"Affairs of different countries are attended by different circumstances, and such circumstances need not necessarily be adduced in support of our argument. We may safely aver, however, that those high officials who are responsible for the conduct of the affairs of State should in no case make a statement such as will unnecessarily cause their own country to be misunderstood and to be placed at a disadvantage in its relations with other countries. All necessary statements should be issued as the will of that nation and through the proper channels.

"We scarcely need say that we sympathize with Lieutenant-General Tojo's position. Since he was addressing an audience composed entirely of munition-makers at a time like the present, it is only natural that he should have endeavored to din into their ears the vital necessity of being on their mettle.

"Our dissatisfaction is not so much with the Lieutenant-General's observation on the actual facts as with the lack of enthusiasm for adjusting international relations. We must admit that his view of the stern realities which stare Japan in the face is, on the whole, founded upon fact. His utterances may be taken to mean that Japan will have to clash with Britain, France and America, not to mention Soviet Russia. This would imply a failure on Japan's part to bear in mind those fine strokes of foreign policy which Chancellor Hitler pursued before adopting his Eastern policy.

"There are two methods of settling international relations - one is by force and the other by diplomacy. In the present world situation it is a fact that a nation's ability to carry out a war determines its foreign policy. In this sense, we support the view that armaments must be completed. No stone should be left unturned, however, to avert war, in view of the fact that it involves considerable sacrifice of life and property. It is to be hoped that the guiding spirits in our country will put forth every gallant effort to achieve this purpose."

~~CONFIDENTIAL~~

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

ATTACHE'S REPORT C-10-1/12096-E

Forward seven copies (original and six carbon); this number is summary because of the limited personnel in O. N. I. and because of the necessity for security disseminating information from this source. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Jan. 12, 1959 Serial No. 1 File No. 206-300  
(Complete new copies each January 30th) (Index proper number from O. N. I. index)

Source of information Press

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

Reference

Note:—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, personnel, or political names, and the gist of the report.

~~CONFIDENTIAL~~

"Effect of the Recent British and American Gesture for  
Financial Help to the Chiang Kai-shek Regime."

DECLASSIFIED

E.O. 1 652, Sec. 3(E) and 5(D) or (2)

OSD letter, May 3, 1972

By RT, NAIS Date MAY 21 1973

28

Report No. 1  
Japan  
January 12, 1939

~~CONFIDENTIAL~~

206-300

"Effect of the Recent British and American Gesture for Financial Help to the Chiang Kai-shek Regime."

The following article is typical of several recently published in the Japanese press:

"In connection with the recent gesture by Britain and America for financial support to the Chiang Kai-shek regime which now threatens to go by the board, the Kokumin Shimbun recently printed a report of very outspoken nature, pointing out Japan's resolution to meet the new situation. We give its report in outline as follows:

"The British and American acts in question have very keenly stimulated the feeling of the Japanese nation, but the basic policy of the Japanese Government is too strongly fixed to be influenced by such gesture from without. On the contrary, Japan's resolution vis-a-vis China has now been strengthened all the more for it. Collating from official information in this respect, it can be surmised that the Japanese Government has now become aware that Britain and America, especially the former, will not understand Japan's position, no matter how earnestly Japan may explain it, so there is actually no alternative for Japan but to pursue her East Asian diplomatic policy by her real power. To be more precise, Japan's effort will be inevitably concentrated in removing all the political footholds, not economic footholds, of Britain in China. To that end, Japan demands the following:

1. The foreign settlements and concessions in China shall be returned to China under the new regime.
2. Hongkong shall be returned to China, for it was ceded to Britain with such an immoral motive as the opium war, and moreover because a new order is at present being established in East Asia on moral grounds.
3. Singapore too shall be returned to where it originally is due sooner or later.
4. The fact that India is chafing under British oppression and exploitation militates against anything like a permanent peace and security in East Asia, so it is desirable that Britain will show sufficient magnanimity to let go her hold of India so as to allow her to become independent.

"The above is the opinion given by a certain vernacular paper of Tokyo and we fear that the situation in the Orient may develop along such course as reported by the paper if the Washington and London Governments go on refusing to recognize the real situation on the Asiatic continent and continue their unwise efforts to check the natural development of new Asia."

FINISHED FILE .....  .....

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

ATTACHE'S REPORT

14270-4 C-10-2

Forward form copies (original and six copies); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnotes or otherwise, according to subject matter.

From NA/Tokyo Date Jan. 17, 19 39 Serial No. 11 File No. 105-300  
(Compare with serial and January list) (Index proper number from O. N. I. Index)

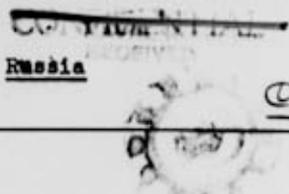
Source of information \_\_\_\_\_

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

Reference Relations with Russia

NOTE.—(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.)

Relations between Japan and Russia



~~CONFIDENTIAL~~

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

29

Division	B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Micrograph	Index (over)	Index	C.R.G.	Colt School	War College	N.I.S.	Nav.	Ord.	L.S.S.	C.S.R.	Dep.	S.S.A.	M.A.R.	Assn.	N.C.	N.U.	
Yench. Div.	C. in C. U. S.	Com. Int. For.	Com. Sea. For.	C. in C. Asia	Com. S.E. A.	Com. Afr.	Assigned to	Operations			Base	Com. source	Return to	Room No.					
Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform to size with this form where practical. Submit extra copies of sketches, surfaces of sketches, etc., where practical. If practicable, submit sketches in suitable style for microphotating or photostating.																			

Report No. 11  
Japan  
January 17, 1939

100 - Political  
103 - International Relation  
300 - Relations with Russia

CONFIDENTIAL  
Relations between Japan and Russia

There are indications that the much heralded Russian-Japanese conflict may be in the offing. ✓

Statements have been made by Government spokesmen, both Army and Navy, to the effect that major military operations are over in China and the re-construction period has come. However, mobilization of troops continues in Japan (many new recruits being called to the colors daily), transport of men and munitions to the continent has not ceased, there has been a large number of troops sent recently into Manchoukuo from the north and other parts of China, some estimates being as high as 60,000. (At least one Japanese Division, known to have been employed in the Canton campaign, was recently identified as having arrived at Tsingtao.)

Opposition to the Army's continental aims which were feared for several reasons, chiefly economic and danger at involvement with third powers, particularly Russia, are believed to have had some bearing on the recent Cabinet change. It is likewise believed that the Navy had not, until recently, been in accord with the Army on account of its own conception of national defense which dictated strengthening the area to the southward. Apparently some agreement has been reached between the two. What this will result in, insofar as a southward movement is concerned, is, at best, a hazardous guess. The Minister of the Navy, Admiral Yonai, made a statement on January 14 which may be of considerable significance at this time:

"The Japanese Navy's fundamental policy has been fixed since this country withdrew from the Washington and London naval treaties. It is based on the principle of non-menace and non-aggression. Re-examination of the present supplementary program, based on that principle, may be made in the future, depending on developments of the international situation.

"As for Japan's policy for disposal of the China Incident, an immutable purpose has been fixed. No Cabinet change can alter it. Careful study will be continued for settlement of the incident in order to cope with any possible change in the international situation.

"I have every confidence in Premier Hiranuma's ability on this point. I hope everyone in Japan will place full confidence in the new Premier and cooperate with him in overcoming the present emergency."

To an impartial observer it might appear very dangerous for Japan to permit herself to be drawn into a war with Russia before the military issue in China is settled and, still more suicidal, for her to attempt, concurrently, a southward advance. However, stranger things have happened. The trend at the present moment is towards complete military dominance of the Government. The Army is insistent upon the China Board (Asia Development Board) being given complete control of all political and economic matters connected with the situation on the continent. To understand the true significance of this, one must remember that the Asia Development Board is headed by an Army officer, Lieutenant-General Yanagawa, while the remainder of the directing personnel is composed of either Army officers or Government officials of rightist tendencies (as, for example, Hidaka, until recently Consul General in Shanghai, now Director of its Economic Affairs). In addition, the Army is insistent upon the Planning Board being strengthened and its powers greatly extended. It does not take a very acute observer to see what this will result in. First of all, there will be established

two instruments of government under Army dominance, one to handle the nation's external affairs in the sphere where the Army is most vitally concerned, i.e. the continent of Asia, the other to draw up plans for the internal mobilization of the nation's resources on an all time war basis. Under this arrangement ministerial departments, other than Army and Navy, will gradually lose all but their administrative functions. National policies will be determined by an inner Cabinet composed of the Premier who has never had any great love for Occidentals, the War and Navy Ministers, the Finance Minister (a bureaucrat and until recently Vice Minister of the Finance Ministry), the Minister of Foreign Affairs (for face-saving only), the head of the Asia Development Board and last but not least, in an ex officio capacity, the head of the Planning Board. To the Asia Development Board will be given the prosecution of the "reconstruction" of China. Its cognizance will, of course, include political matters. It does not take too great a stretch of imagination to visualize that Board becoming, for the time being, the "puppet" government of China though it is difficult to see exactly how the Japanese Government will be able to hide behind the skirts of that creation and dodge responsibility for its actions as it does with Manchoukuo. The Planning Board, also under Army dictation, will prepare plans for complete national mobilization. To the ministerial bureaus will be given the administrative work necessary for the enforcement of the Planning Board's program. In such a way will Japan become a military-fascist nation.

While on the face of it the above does not appear to have much relation to a possible war with Russia, underneath it has a great deal. In the first place, there will be no Cabinet nor Diet to question the actions of those in power. The Army's rumored advance to cut the Soviet line of supplies to China, incidents on the Manchoukuo border, and the Siberian fishery question are the danger signals. It is not believed that hostilities will be brought on willfully by Japan but will result from both Japan's insistence upon non-treaty Siberian fishing and the Army's further operations in China. While the fishing season does not start until late April and though undoubtedly public opinion favors a peaceful settlement, it is a question whether the military-dominated Government will capitulate to Soviet terms which would result in a further, though minor, depletion of Japan's foreign gold reserves and the acceptance of an unsatisfactory allocation of fishing areas. The Soviet Naval Attache states that Japan will capitulate. Nevertheless, should no agreement be reached, conflict between Soviet and Japanese naval units is bound to come. Would war result? Opinion has been expressed by certain Japanese that Stalin does not dare permit a war for fear of an internal revolution. Time alone will tell.



Report No. 12  
Japan  
January 25, 1939

Japanese Press Reaction to Guam Fortification Issue

While the vernacular press gave considerable space, conspicuously placed, to dispatches under Washington, D.C. datelines dealing with the announced recommendations of the Hepburn Board, the featured item was the "fortification of Guam". Daily news reports by special Washington correspondents (especially Domei) kept the kettle boiling by playing up the opposition statements of Senators Frazier, Reynolds, Lundeen, Nye, Clark and Borah, and Representatives Fish and Barden, and the letter of Major-General W. C. Rivers; while the statements made by proponents of the bill were made to appear bellicose. It is worthy of note that Senator Walsh's statement to the effect that the proposed bill would not provide any sort of fortification at Guam was made to appear ironical, incompletely quoted and completely omitted by some papers.

The statement by the Navy spokesman, Rear Admiral Masao Kanazawa, at his press conference on 19 January characterizing the "fortification of Guam... (while)... entirely legal would be tantamount to placing a gun at the gate of a neighbor and would therefore be considered as an unfriendly gesture toward Japan" ... and adding that "we cannot but look on the question with grave concern that the United States should fortify such a place so far distant from America and so near to our Mandated Islands".

The Asahi in commenting editorially stated that "to put it bluntly, one cannot help but feel that if such a plan is adopted it would be done so only with a hostile motive against Japan in mind", adding that such a plan was connected with the American Navy's "major overseas operation plans". The Asahi subsequently (the 20th) gave prominence to a special cable from New York characterizing the proposed fortification of Guam as a political gesture to be used as a bargaining wedge for issues with Japan, pending and future. Other vernacular dailies featured Mr. Roosevelt's denial that the Guam program was a possible basis of negotiations with Japan on Pacific problems.

Mr. Ichiro Koyose (Kokumin Domei) during an interpellation in the Lower House on 23 January stated: "The American Congress proposed on January 19th the establishment of defenses at Guam Island. As you are aware the island is situated in the center of the Mandated Islands. They are holding us in contempt by establishing naval airfield and submarine base in the center of the Marshall Islands. Concerning this, Mr. D. H. Lewis, Chairman of the Senate Foreign Relations Committee, said that the establishment of the defenses depended upon Japan's attitude; that should she assume in the future a conciliatory attitude toward the United States in the Far East, America might be able to give up such policy including the construction of defenses at Guam; that the establishment of defenses was a means to open up negotiation with Japan, after having the establishment approved by Congress; that America should assume the policy of economic pressure against Japan; and that the Neutrality Law should be revised. Our Foreign Office must have further intelligence."

COMMENT:

The above reaction of the local press and politicians is typically Japanese:

The bill for the construction of bases is held as a measure of "fortification" (while Japan's huge expenditures at Saipan, Palao and elsewhere in the Mandates are ignored)

and "a gun at the gate of a neighbor" (the allegory being a modernized substitute for the old cry of "a dagger at Japan's heart").

In their coloring of the news by distorted presentation of it, facts are blandly ignored and any American making an oppositional statement is played up with all stops open. Sketches or maps are even distorted to place Guam as practically off Tokyo Bay (Guam-Yokohama. 1353, Palao-Cebu. 746) and hence a menace. ✓

CONFIDENTIAL

## 'STICK TO FACTS' ROOSEVELT SAYS IN DISCUSSING GUAM ISSUE

Irked at Press Reports Administration  
Backing Plan to Fortify Island

Domel Tashin  
WASHINGTON, Jan. 17.—A sharp reminder to stick to "brass tacks and facts" regarding the Administration's attitude on the proposed fortification of Guam, in the Western Pacific, was given to the press today by President Roosevelt.

Commenting on the issue in a White House press conference, the President voiced annoyance at the general presumption that the Administration backs the plan and advised the press to study the situation more closely before jumping to conclusions.

### GUAM FOE



SENATOR WILLIAM E. BORAH

He considers the proposed fortification of Guam an "impractical proposition."

If pressmen bothered to investigate, he said, they would find that no recommendation has been made to Congress by the Administration for the appropriation of funds to fortify the island this year. The proposal of the Navy's special board, he emphasized, is another matter regarding which the Administration's view will not be disclosed until experts appear before the congressional committee studying it.

Meanwhile, Senator William E. Borah of Idaho asked for insertion in the Senate's records of a letter in which Major-General William C. Rivers, former inspector-general of the United States Army, assailed the proposed fortification of Guam as the "most markedly aggressive and provocative military step of the kind" which the United States has contemplated in the last 50 years.

Even if the island is fortified, said the letter, it will still be indefensible against attack, and the move will only arouse Japanese resentment in the same way that the United States would resent any move by Japan to establish a naval base close to the American coast.

In a statement to the press, Senator Borah declared that he agreed entirely with Major-General Rivers' argument and considers the fortification of Guam an "impractical proposition." He added that he is preparing to discuss the subject more fully when it comes up for debate on the Senate floor.

Senator Key Pittman of Nevada, chairman, and other members of the Senate foreign relations committee declined to comment on the letter, stating that Major-General Rivers' remarks have to do with a purely military problem which lies outside their scope.

# \$552,000,000 ASKED FOR U.S. DEFENSE FUNDS

Program Devoid of 'All Hysteria',  
Roosevelt Advises Congress in Message

Domel Taushin

WASHINGTON, Jan. 12—Asserting that the Administration's program "is devoid of all hysteria" and "represents only the minimum requirements for defense imperatively necessary to protect United States liberty in the face of changing world conditions outside the Western Hemisphere," President Roosevelt

today submitted to Congress a special defense message asking for supplementary defense appropriations totaling \$552,000,000.

The President's message, which was sent to Congress at noon today, made no reference to the regular army and navy appropriations aggregating \$1,126,000,000 which were announced in the regular budget message on January 3, but referred only to the extraordinary, two-year expansion program. **\$215,000,000 FOR FIRST YEAR**

Of the total \$552,000,000, President Roosevelt recommended that \$215,000,000 be spent during the first fiscal year. The bulk of the total appropriations asked will go to the army which was allotted \$450,000,000. The navy will be given \$65,000,000, civilian air training \$10,000,000 and for improvements of the Panama Canal, \$27,000,000.

The greatest single item listed is the purchase of 2,000 army planes at the cost of \$300,000,000 to "strengthen the defenses of the United States, Alaska, Hawaii, Puerto Rico and the Canal Zone." The President suggested the immediate appropriation of \$50,000,000 of this sum to stimulate the airplane industry.

The expenditure of \$110,000,000 of the army's allotment was recommended by the President for the purchase of "critical items" for use in times of emergency. Among the "critical items" listed were anti-aircraft guns, automatic rifles, anti-tank guns, artillery and gas masks.

President Roosevelt also suggested the spending of \$12,000,000 for educational purposes in order to enable industry, should the emergency rise, of turning out war materials on a basis of mass production.

#### TO BOOST COAST DEFENSE

The remaining \$8,000,000 of the army's allotment will be spent for the strengthening of seacoast defense in the United States, Hawaii, and the Panama Canal Zone, including the construction of highways in Panama outside the Canal Zone which would be most useful for the protection of the Canal.

Of the navy's allotment of \$65,000,000, it was recommended that \$44,000,000 be spent for the creation or strengthening of naval bases in accordance with the naval board's recommendations. The President also suggested that \$21,000,000 be spent for testing naval planes.

Ten million dollars will be spent for the training of additional air pilots and \$7,000,000 to increase the personnel of the Panama Canal garrison and to house them.

After stressing that these were only the "minimum requirements," President Roosevelt said that the alarming progress of military aviation abroad had necessitated a complete revision in the estimates for aircraft.

#### PRAISES U.S. MANHOOD

The President pointed out that though the United States has a "splendid asset in the quality of its manhood," it would be "hopelessly handicapped when attacked" if it were not adequately trained with modern weapons.

Mr. Roosevelt recalled that the United States was not able to participate in any major battles of the World War until 1918, a year after its entry, because of insufficiency in the production of munitions.

#### FISH ASKS AMENDMENT

Domel Taushin

WASHINGTON, Jan. 11.—Following his sharp attack against the Administration last Friday during a radio address in which he charged President Roosevelt with unnecessarily creating a war scare, Representative Hamilton Fish, Republican of New York, today proposed a constitutional amendment stipulating that a popular referendum be made compulsory before Government action drafting citizens for military service overseas.

The plan excluded the Western Hemisphere and United States possessions.

The gigantic rearmament fostered by the Administration, Representative Fish declared in proposing the amendment, "necessitates that the people of the United States have an active voice as to whether their sons should fight on foreign battlefields."

# U.S. DEFENSE BILL INCLUDES GUAM FUNDS

But Roosevelt's Secretary Says  
Funds Not For President Is Him

①

WASHINGTON, Jan. 19.—Two bills, authorizing the expenditure of \$102,000,000 for the creation of a dozen new and the expansion of several established air bases, as well as the expansion and modernization of the Navy's shore stations throughout the United States and its territorial possessions,

were introduced into the Lower House today by Representative Carl Vinson, chairman of the Naval Affairs Committee.

One of the bills, authorizing the spending of \$85,000,000, calls for the creation or expansion of naval facilities on the island of Guam, Kaneohe Bay, at Midway and Wake Islands, Johnston Island, Palmyra Island, Kottak, Rika, San Juan, Pearl Harbor, Pensacola and Jacksonville, Florida. A similar bill was introduced simultaneously in the Senate by Senator David I. Walsh, chairman of the Senate's Naval Affairs Committee.

Commenting on the \$85,000,000 air expansion measure, Stephen Early, press secretary of the White House, declared that both Mr. Vinson and Mr. Walsh had introduced the bills into Congress without their being seen by President Roosevelt.

Congressman Vinson, explaining the \$85,000,000 bill, asserted that \$5,000,000 would be spent on the projects at Guam during 1919 and 1920, including \$1,500,000 for dredging Guam Harbor, \$1,500,000 for the construction of breakwaters, and \$2,000,000 for the establishment of buildings necessary for air and submarine bases, including hangars, shops and barracks. Mr. Vinson emphasized, however, that the bill was purely air base legislation.

Turning to the question of fortifying Guam, he declared:

"I am in favor of fortifying Guam if it is necessary to afford the United States an adequate defense. It is the United States' duty to fortify any of its possessions, regardless of what anybody thinks, if it is necessary to guarantee the nation's safety."

Later, Representative Vinson introduced another bill into the House authorizing the expansion and modernization of the Navy's shore station establishments, costing \$27,000,000. The funds would be apportioned in the following manner: \$17,000,000 for expanding facilities at Pearl Harbor, Hawaii, including \$6,400,000 for building a graving drydock to accommodate larger vessels; \$5,000,000 for a graving drydock at the Puget Sound Navy yard; \$181,000 for buildings and personnel at the Tutuila Station, Samoa, and \$47,000 for the naval hospital at Guam.

Senator Walsh, in a prepared statement to the press, asserted that the \$85,000,000 bill would not provide any sort of fortification at Guam, emphasizing that the proposal for aviation facilities at Guam were designed for commercial purposes.

~~CONFIDENTIAL~~

# GUAM FORTIFICATION DENIED BY ROOSEVELT

President Says Defense Fund to Go  
Only for Improved Harbor Facilities

①

WASHINGTON, Jan. 20.—Although admitting that he favored the bill authorizing the expenditure of \$5,000,000 for the improvement of defense facilities at Guam, President Roosevelt, in an interview with the press today, strongly contended that passage of the measure did not necessarily mean fortification of the island.

The President added that authorization also did not necessarily mean actual appropriation or ultimate completion of the project. He pointed out that a change in world conditions might permit abandonment of the whole project.

Explaining the contents of the bill, the President declared that the measure provided only for (1) dredging of the harbor, (2) additional barracks for the small number of marines now stationed on the island, and (3) improving landing facilities for aircraft.

President Roosevelt stressed that the newspapers could do a real service to the people by pointing out the difference between authorizations and appropriations. He added that Congress, early in the 19th century, had formed the habit of authorizing future programs of which \$6,000,000,000 were never appropriated.

As an example, the President pointed to the naval bill of 1810 which was never carried out.

Mr. Roosevelt today stressed that the Guam program was being pressed now as a possible basis of negotiating with Japan on Pacific problems.

Authoritative circles, meanwhile, disclosed that the Army proposed doubling the Panama Canal defense force to 26,000 from the present 13,000.

~~CONFIDENTIAL~~

**WASH., D. C., Jan. 12.**—News from the United States here of late brought many reports of quite a disturbing character and received here with some shaking effect. The first of these news items to reach here was the Bulletin item that President Roosevelt delivered to Congress on January 12. This had followed his regular budget message at a week before recommending the aggregate appropriation of \$4,126,000,000 for the army and navy. In the defense message above mentioned the President submitted to congress an extraordinary two-year armament expansion program, involving the total expenditure of \$652,000,000, with the allotment of \$215,000,000 for the first fiscal year. The great bulk of this total appropriation, it is understood, will go to the army and navy which will be \$450,000,000 and \$65,000,000 respectively.

It is noteworthy that the single greatest single item listed is the purchase of 2,000 planes at the cost of \$300,000,000 to "strengthen the defenses of the United States, Alaska, Hawaii, Puerto Rico, and the Canal Zone." Of the navy's allotment of \$65,000,000 a total of \$44,000,000 is recommended for expenditure on the creation or strengthening of naval bases in accordance with the Naval Board's idea. The implications are that the new defense expansion program is proposed with an eye, on one hand, to Germany whose "alarming progress of military aviation" should be met by a complete revision in Washington's estimates for aircraft, and, on the other, to Japan against whom advance bases in the Western Pacific and elsewhere should be either built or strengthened.

Referring to the Administration's new defense program, William Castle, former Secretary of State and ex-Ambassador to Japan, speaking before a meeting of the Republican Club of Boston on January 10, said: "Washington's present program of thoughtless speaking and politically ambitious hangers-on not only does not insure peace but creates an atmosphere which is conducive to explosions which may result in war." But it is somewhat a relief to learn from the same speaker that there is a widespread feeling in Washington that the "sudden furor for extravagant armament program" is designed for domestic effect.

More recently the public here has been greatly shocked by the Navy House Committee's recommendation for the fortification of Guam. This plan, it is learned, has been condemned by Major-General William C. Rivers, former Inspector-General of the United States Army, who considered the proposed fortification of Guam as the "most markedly aggressive and provocative military step of the kind" that the United States has ever contemplated in the last 80 years.

In General Rivers' opinion, even if Guam is fortified it will be insignificant against Japan, and the move will only prove Japanese expansion in the same way that the United States would resent any move by Japan to establish a naval base close to the American coast. It is now reported that Senator William E. Borah has expressed himself as at one with General Rivers' view, condemning the fortification of the island quite an "impractical proposition."

Now quite a clear-cut expression has been heard from the Japanese side on this question. Rear-Admiral Haseo Kanamura, spokesman of the Navy, as reported yesterday, commented on the American plan saying that the fortification of Guam would be "placing a gun at the gate of a neighbor." "It seems rather unnecessary to irritate Japan in this way," he observed, "when the Japanese Navy has no unfriendly feeling towards the American Navy." In his opinion, the building of airplane and submarine bases at Guam or other islands would be nothing but "establishing advance bases for long distance attack overseas."

Apart from the Navy's point of view, the American idea of pushing its naval bases westwards across the Pacific seems hardly understandable. America has no political interest in China. America's activities in China have always been economic or, to put it more precisely, trade, and have never interfered with those of Japan. The two countries may ply their trade there as they have always done.

If the United States means to pursue a new policy of a political nature with regard to China for some reason and another, it might first define its position and place its cards on the table. If its point of view is found incompatible with that of Japan, it would be time enough to take whatever military procedure necessary to enforce its idea in China. As it is, however, there has been no indication to suggest any change in the traditional policy of Washington. If the United States means neither to take a hand in China's politics nor to make its voice heard in the political council chamber of East Asia, nor to launch any trade campaigns at the point of the gun, the fortification of new naval bases closer to the shores of this country would only be disturbing the waters of the Pacific which may remain as unruffled as in the past.

~~CONFIDENTIAL~~

CONFIDENTIAL

# CONGRESSIONAL BATTLE IS SEEN ON GUAM PLAN

## Would Necessitate Reorientation of U. S. Far Eastern Policy

Donal Trushin  
WASHINGTON, Jan. 15—President Roosevelt's special defense message would mean a complete reorientation of the United States far eastern policy. Congressional leaders believe that a battle royal is coming over the proposed fortification of the island of Guam in the western Pacific when the House committee on naval affairs begins discussing the details of President Roosevelt's defense program next week.

Furious debate was predicted over the issue with Representative Carl Vinson of Georgia, chairman of the committee, expected to give strong backing to the General Motors recommendation for speedy fortification of the island. Meanwhile, Republican committeemen were preparing to voice energetic opposition to the measure.

Chairman Vinson, it is learned, will back the Navy's recommendation on the ground that a fortified Guam is necessary for three reasons. These were reported as:

1. To assure the immunity of the Philippines against attack.
2. To make Hawaii and the west coast of the United States more easily defensible against a foreign enemy, and
3. To allow the United States fleet greater freedom of operation in case of an emergency in the Atlantic.

Representative Ralph O. Brewster of Maine, Republican member of the committee, promised reporters this morning that he will launch a vigorous assault on the program when debate opens next week.

### REACTION DIVIDED

WASHINGTON, Jan. 15—Congressional reaction to President Roosevelt's special defense message sent to Congress today was clearly divided along party lines.

While Democrats praised the message as "reasonable and conservative," anti-New Dealers as well as Republicans condemned it as "political."

Heading the list of those in favor of the message, Senators Key Pittman, Robert F. Wagner and David I. Walsh declared that it recommended in a "very practical and effective way what the United States can afford to do in view of world conditions."

Meanwhile, Republican senators Warren R. Austin, Arthur H. Vandenberg and Robert A. Taft suggested a sounder foreign policy which they claimed would be the best of all defenses instead of strengthening the armed forces.

# ROOSEVELT'S ARMAMENT BILL DRAWS FIRE

## Senators Declare Military Expansion Will Lead to War

Donal Trushin  
WASHINGTON, Jan. 15—President Roosevelt's huge rearmament program, now up for legislative consideration, today continued to draw severe criticism as senators of all parties charged that bigger military and naval establishments will only heighten the danger of American being involved in a war.

Speaking for the Republicans, Senator Lynn J. Frazier of North Dakota asserted that the Administration's arms expansion plans constitute nothing less than a violation of the Kellogg Anti-War pact which the United States itself sponsored ten years ago.

"Nobody can make me believe," he said, "that appropriations of billions of dollars will be used for peace instead of war."

### LACKS FULL BACKING

That the program also lacks full Democratic backing was indicated meanwhile in a statement by Senator Robert R. Reynolds of North Carolina, who declared that American mothers "who will be asked to furnish the cannon fodder for the next war" are immediately against President Roosevelt's proposal. The World War, he pointed out, the United States spent \$18,000,000,000.

Arms expansion was likewise opposed by Senator Ernest Lundeen, Minnesota Farmer-Laborite, who asserted that the adoption of a huge rearmament program means the United States is planning a crusade "to save the world."

"We are going to save everybody but ourselves," he declared.

Specific criticism was meanwhile voiced against the projected fortification of Guam, Representative Colgate Darden of Virginia, Democrat, asserted that it would be a "great mistake" to invite trouble with Japan.

### NEED WATCH OFFERED

"The people of the United States," he said, "do not intend to allow the Japanese to get their foot on our island because our Pacific naval force is conserved, but we must be careful to see that no needless offense is given to Japan."

Japan has a long road to travel in China, Senators for the time being, the United States should at least take only those steps necessary for the defense of its own people and territory.

The plan was nevertheless upheld by Senator David I. Walsh of Massachusetts, Democratic chairman of the Senate committee of naval affairs, who said that the Administration does not contemplate "fortifying" Guam but merely wants to improve the island's harbor and establish better landing facilities for commercial planes.

Sp. Tod. M. January 15  
U. S. PACIFIC FORTIFICATION

TOKYO ABASHI—Suppose the present-day America, England and France are "as clean-handed as to be able to throw stones at another nation, regarding it as an aggressor. It is not at all an easy matter for them to be able to brand the nation as an aggressor." Such a matter, after all, is to be decided by the fair judgment of future historians, quite regardless of the present-day provisions of international treaties or of the present-day standard of morality. If Japan, as a result of the current China incident, accomplishes her ultimate object involved in her campaign, establishing a new order in East Asia and guaranteeing permanent peace in this part of the world, and thus materializing a paradise for the three nations, i.e. Japan, Manchukuo and China, to live in, can those Powers still stigmatize Japan as an aggressor?

According to the U. S. Navy Department's plan presented to Congress advising it to newly construct military bases in the Pacific, we find that it is proposed to reinforce the air forces in Alaska and the Aleutian Islands and that the United States, particularly making much of the Hawaiian Islands, is trying to establish bases for an air force and a submarine fleet at Guam, to defend the Philippines and the Western Pacific against a certain Power (evidently, meaning Japan). If we are to frankly express our view, we doubt whether this attempt on the part of the United States is really aimed at Japan's "aggression" or whether the United States is trying to fortify herself intending aggression against Japan. Regarding this point there are not lacking in the United States intelligent observers who can see through the actual situation existing. A certain former U. S. General, for instance, says: "Just as the United States would feel indignation against Japan's attempt to construct a naval base near America, so would Japan against the United States' attempt to fortify Guam."

Again, Senator William E. Borah, influential member of the Senate's Foreign Relations Committee, voicing assent to this expression of view, says: "The Guam fortification proposal indicates the most offensive and the most challenging military step which the United States can take that I have heard of in the last fifty-five years of my career." These prominent men in America may have good reason to advance such views.

As we desire that this great Ocean between this nation and the United States will for ever remain peaceful, as its name indicates, as it was first so christened by Magellan at the beginning of the 16th century, we hope Washington's Far Eastern and Pacific policy will never be mitigated by the one-sided Chinese report of the embassy submitted in it by its Ambassador to China, Mr. Johnson. We hope Washington's policy in this regard will be strictly prudential, moderate and fair.

CONFIDENTIAL

# GUAM BILLS LAUNCH BATTLE IN CONGRESS ON FAR EAST POLICY

President's Advisers Said Divided on Talking With Japan About Program

\$5,000,000 IS REQUESTED

Senator Walsh Emphasizes Measures Do Not Provide for Fortifying of Island

NOT SEEN BY ROOSEVELT

**Advertiser**  
WASHINGTON, January 11.—The inclusion of \$5,000,000 for Guam in the Navy Department's requests submitted to Congress today is igniting the fuse of what is expected to be an explosive battle over President Roosevelt's Far Eastern policy.

The move, seemingly a decisive answer to the question of whether the President favors a stronger naval policy toward Asia, came while reports were current that his diplomatic advisers are split on a proposal that Tokyo be consulted regarding the Guam program before discussion of it begins in Congress.

According to informed sources, those advocating consultation would make it conditional on Japan's assent to discussion of all of its aspirations, including those in China, in some manner in which Chinese officials would be present.

The opponents of this reportedly maintain that it would afford an opportunity for endless stalling and really play into Japan's hands. They say it would be only a waste of time.

### Bills Provide Funds

**Dones**  
WASHINGTON, January 11.—Two bills, authorizing the expenditure of \$102,000,000 for the creation of a dozen new air bases and the expansion of several established ones, as well as the expansion and modernization of the navy's shore stations throughout the United States and its territorial possessions, were introduced into the Lower House today by Representative Carl Vinson, chairman of the naval affairs committee.

One of the bills, authorizing the spending of \$65,000,000, calls for the creation or expansion of naval facilities at Guam, Kaneohe Bay, Midway and Wake Islands, Johnston Island, Palmyra Island, Kodiak, Sitka, San Francisco, Pearl Harbor and Pensacola and Jacksonville, Florida. A similar bill was introduced simultaneously in the Senate by Senator David I. Walsh, chairman of the Senate's naval affairs committee.

Commenting on the \$65,000,000 measure, Mr. Stephen Early, press secretary of the White House, declared that both Mr. Vinson and Mr. Walsh had introduced the bills into Congress without President Roosevelt seeing them.

**Guam Proposals Outlined**  
Congressman Vinson, explaining the \$65,000,000 bill, asserted that \$3,000,000 would be spent on the projects at Guam during 1939 and 1940, including \$1,500,000 for dredging Guam Harbor, \$1,500,000 for the construction of barracks and \$1,000,000 for the establishment of buildings necessary for air plane and submarine bases, including hangars, shops and barracks. Mr. Vinson emphasized, however, that the bill is purely air base legislation.

Turning to the question of fortifying Guam, he declared:

"I am in favor of fortifying Guam if it is necessary to afford the United States an adequate defense. It is the United States' duty to fortify any of its possessions, regardless of what anybody thinks, if it is necessary to guarantee the nation's safety."

Later, Representative Vinson introduced another bill into the House authorizing expansion and modernization of the navy's shore establishments at a cost of \$37,000,000. The funds would be apportioned in the following manner:

\$17,000,000 for expanding facilities at Pearl Harbor, Hawaii, including \$2,400,000 for building a graving drydock to accommodate larger vessels; \$1,000,000 for a graving drydock at the Puget Sound navy yard; \$181,000 for buildings and personnel at the Tutuila Station, Samoa, and \$47,000 for the naval hospital at Guam.

Senator Walsh, in a prepared statement to the press, asserted that the \$65,000,000 bill would not provide any sort of fortification at Guam, emphasizing that the proposed aviation facilities there are designed for commercial purposes.

## YONAI DISCOUNTS AMERICAN TALK OF NAVAL EXPANSION PROGRAM

**Dones**  
MATSUMOTO, Jan. 14.—"I do not think that the peace-loving people in the United States will hail the reported naval expansion program in that country," Navy Minister Admiral Mitsumasa Yonai said this afternoon in the course of an interview with the press aboard the train which brought him here. He was on the way to inspect the volunteers for the navy in Ika and Kofu cities.

Commenting on recent press reports that the United States Government is attempting to strengthen its navy, Admiral Yonai said that such reports are often heard when the American Congress is in session.

"I think, therefore, that the reported naval expansion program in the United States may be regarded mainly as a political game plan in that country," he continued.

He added that he does not think that the peace-loving people in the United States will hail such a plan that may cause world's naval race by irritating other countries.

### FUNDAMENTAL POLICY

"I cannot, however, ignore the reports completely. The fundamental policy of the Japanese navy has been fixed since the declaration of the abolition of the Washington and the London treaties. It is based on the principle of non-advance and non-aggression. Re-examination of the present supplement program based on the principle may be made in accordance with the future developments of the international situation.

"Regarding Japan's policy for the disposal of the current incident, an immutable principle has been fixed. It will never be changed by a change of Cabinet. For the settlement of the incident, careful study will be continued in order to cope with any possible change in the international situation. I expect very much of Premier Hiranuma's ability in connection with this point. I hope everyone in this country places full confidence in the new Premier and cooperates with him in conquering the emergency."

## Passage of Guam Bill Favored by Many

Representative Melvin Mass believes that the passage of the Guam bill is possible and if it is passed, it will mean that no Asiatic power would even dare attack Hawaii, the mainland or the Panama Canal. It is to be regretted that there are in the U.S. Congress members who believe that Japan, for that is the only ranking power in Asia, is a menace to American security and peace. With all due respect to the Representative it seems regrettable that some people are never able to show a better understanding of the limits of modern strategy.



Admiral Mitsumasa Yonai

"The recent peace proposal made by Wang Ching-wei, former vice-President of the Kuomintang Party, appears to have shocked the National Government leaders. It is interesting to note that they are now rapidly being placed under the Communists influence.

"It will be not necessary for Japan to pay any particular attention to the future attitude of the Chiang Kai-shek regime or of the third Powers. All that is necessary for us is to continue efforts for the attainment of the aim of the present crusade for the establishment of a new order in East Asia."



# U.S. ENVOYS TELL OF CHAOS IN EUROPE

In Light of Reports,  
New Defense Message  
To be Hurried Up

Special Telegram  
WASHINGTON, Jan. 10—Senate and House committees today heard a confidential report by Joseph P. Kennedy, American ambassador to London, and William C. Bullitt, ambassador to Paris, both of whom are back on furlough in report on the "chaotic" conditions in Europe and the present trend toward the Spanish catastrophe.

Although the ambassadors made no recommendations as to better national defense, observers declared, most commitments were deeply impressed by the dismal picture of Europe and many expressed the necessity of accelerating rearmament by the Roosevelt program.

Meanwhile, Senators O'Gould, P. Nease of North Dakota, and Bennett Champ Clark of Missouri, who are opposed to excessive rearmament, said that they had not altered their opinions, even after hearing the ambassadors.

President Roosevelt, in the meantime, conferred with General Malin Craig, Army chief of staff and other experts regarding a speeding up of a defense message which probably will be delivered on Thursday.

# GUAM DEFENSE APPROVAL SEEN

H. S. Simmons Predicts  
That a Majority of House  
Will O. K. \$5,000,000 Bill

Special Telegram  
WASHINGTON, Jan. 11—Although admitting that there will be some opposition to the measure, Representative Malvin J. Mason, Republican of Minnesota, today predicted that a majority of the House of Representatives will approve the Guam defense project which calls for the appropriation of \$5,000,000.

Representative Mason declared: "With Guam fortified, no Asiatic power will ever dare attack Hawaii, the mainland or the Panama Canal." He added that this is clearly explained in a report submitted by a special naval board headed by Rear Admiral Arthur J. Hepburn.

It was disclosed, meanwhile, that Henry L. Simmons, former Secretary of State, has written to Secretary of State Cordell Hull urging the latter to request President Roosevelt to lift the United States embargo on arms to Spain.

While State Department quarters stated that the embargo cannot be lifted unless Congress repeals the resolution passed January 18, 1937, it is understood that Mr. Simmons indicated that the President can lift the ban without Congressional approval because of the change in the situation—the disappearance of the grave danger that the civil war might involve other powers.

# CASTLE SAYS ROOSEVELT RISKS WAR

Foreign Policy Called  
'Thoughtless Speaking'  
By Ex-Ambassador Here

Special Telegram  
BOSTON, Jan. 11—Speaking before a meeting of the local Republican Club last night, William Castle, former Assistant Secretary of State and ambassador to Japan, strongly criticized the Administration's policy and asserted that President Roosevelt is "risking war" by "assuming the role of prosecuting attorney and judge for the world."

Mr. Castle declared: "Washington's present program of thoughtless speaking and politically ambitious hangers-on not only does not insure peace but creates an atmosphere which is conducive to explosions which may result in war."

The former State Department official pointed out that there is a widespread feeling in Washington that the "sudden lurch for an extravagant armament program" is designed for domestic political effect.

# FORTIFICATION OF GUAM BECOMES A U.S. ISSUE

## CONGRESSMAN OPPOSES NAVY'S PLAN

Says Military Move  
A Challenge to Far  
East by America

Special Telegram  
WASHINGTON, Jan. 13—Clearly indicating that the fight which is looming over the question of the fortification of Guam already has begun, Representative Colgate Darden, Democrat of Virginia, today voiced opposition to such a move on the grounds that it would "only serve as a challenge to the Far East."

Flatly opposing the special naval board's report submitted to Congress on Wednesday by Secretary of the Navy Claude Swanson which advocated the fortification of the mid-Pacific island, Representative Darden stressed that Hawaii should serve as a sufficient outpost if the United States is determined to maintain a strictly defensive policy.

Representative Darden added:



The island of Guam, ceded to the United States at the end of the Spanish-American war, has become the center of an American Congressional battle over its possible fortification. It is a strategic point in the Pacific and in the midst of the Japanese islands. It is a stopping point of the Trans-Pacific air carrier between San Francisco, Manila and Hongkong.

"If the United States, on the other hand, is determined to become the guardian of the future of the Philippines, we might as well prepare for war in the Far East."

### ROOSEVELT SPEAKS

President Roosevelt, meanwhile, told the press today that he believed that the United States had sufficient aircraft factories for the construction of the new planes which he advocated for the army in yesterday's special defense message.

He pointed out, however, that there may be a lack of sufficient skilled workers. The President added that all airplanes will be built

by private industries while guns will be constructed in government plants.

The Roosevelt Administration, meanwhile, suffered its first congressional defeat of the year when the House of Representatives, by a vote of 399 to 18 approved and sent to the Senate the \$725,000,000 relief bill.

The measure, as passed by the House, slashed approximately \$150,000,000 from the amount originally requested by the President in a special message dealing with relief appropriations. The House moreover attached amendments forbidding the use of the money for political purposes.

Observers cuts to be made by

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

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attache. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Jan. 28, 1939 Serial No. 18 File No. 105-170  
(Commence new series each January first) (Subst. proper number from O. N. I. Index)

Source of information KAIJUNGRAPH

Subject Japan Political - Spheres of Influence  
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

**NOTE.**—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 matter, and the gist of the report.

Navy's Policy of Southward Advance Not Forgotten



DECLASSIFIED  
 E.O. 1.652, Sec. 1.3E and 6(D) or (S)  
 OSD letter, May 3, 1972  
 MAY 21 1973  
 By RT, NARS Desk

Director	E-1, E-2, E-3, E-4, E-7E, E-11, E-12, E-13, E-14, E-15, E-16	graph	Index	Source	Language															
Tech. Dir.	C. in C. U. S.	Com. Int. For.	Com. Int. For.	C. in C. Asia	Com. S. S. S.	Com. AS	Attended at	Originator	Class.	Comm.	Com. [X] T.	State	Com. [X] T.	Return to Bureau No.						

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of sketches, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for microprinting or photostating.

Report No. 18

Japan

January 28, 1939

105 100 - Political

100 105 - Spheres of Influence

Navy's Policy of Southward Advance Not Forgotten

In an article in the December issue of the "Kaigun-Graph" Rear Admiral K. Taketomi (Retired) emphasized the Navy's Southward Advancement Policy as a corollary to the establishment of a Japan-Manchoukuo-China economic bloc.

Admiral Taketomi considers the world as divided into three major sectors: (1) European-African with the Mediterranean as a nucleus; (2) The American continents with the Caribbean Sea as a center; and (3) The Asiatic Continent-South Sea Islands - Australia with Japan as the heart. The influence, hence standing, of a Power in each of these sectors is proportionate to its control of the air and command of the sea: resulting in the United States in undisputed control of the Americas; the struggle for mastery in Europe with the future dependent on mastery of the sea and air of the Mediterranean.

"The third north-to-south line and the most important one is in the Far East. It is Japan's life line, upon which depends the future destiny of the East Asiatic countries. The most important point of this line is the West Pacific, a sea area east of Singapore and Sunda Strait, which includes our Mandated Islands. The West Pacific has been under various countries' influences; however, it is destined to be unified with the developments of the present Chinese Incident.

"The three points of strategic importance concern themselves after all with the problem of distance and routes. If a country closest to the point should hold it, others are unable to cope with the holder. The question of distance at once becomes an important economic question, by thus including costs of and time required for transportation of commodities. A country having the source of material supply and market for finished products close at hand will always be victorious in international economic competition.

"From this point of view, it is understood that the expression 'Non-menace and non-aggression' is applicable to economic consideration also. As there are certain limits beyond which no military operations can be successfully conducted, so there is a margin by which economic competition always ends in a one-sided victory.

"In connection with the present incident close unity among Japan, Manchoukuo and China, i.e. the establishment of an economic bloc including the three countries, is being urged. Again, it is often asserted that Japan which has been among the Have-nots will be one of the Haves in the future. Greedy it might seem, I think that to be self-sufficient the Greater South Seas should be added to the Japan, Manchoukuo and China bloc. This is true when one takes into consideration the problems of natural resources, markets, and population.

"To point out the materials lacking on the (Asiatic) Continent I would designate lumber and rubber. Copper, phosphate, potassium, sulphides, gold, aluminum, cotton, and wool, and oil are only insufficiently found on the Continent. Also important is the population question. Concern is felt lest the common idea that the proposed bloc among the three countries is sufficient, thereby tending to discourage (our) nationals to move to the South. An ideal region for an outlet of superfluous

population should have the following characteristics: (1) mild climate insuring work all through the year; (2) small number of natives, particularly Chinese; (3) ample supply of materials necessary for domestic industries; (4) short distance from home. The Greater South Seas have all these characteristics. While Japan has not territorial ambitions in the region; from the geographic viewpoint, she is destined to exploit and develop limitless natural resources in the region for the establishment of a civilization in the Torrid Zone.

"In short, Japan is desirous of obtaining the cooperation of the countries in possession of the region in establishing a new civilization.

"Command of the sea and the air in the West Pacific is absolutely necessary for the development of the Continent, as well as the South Seas."

COMMENT:

It is believed that Admiral Taketomi has expressed a generalization of the ambitions and desires of the Japanese Navy. This same conviction that the Navy's mission is an expansion to the South rather than conquest of the continent was recently expressed by a retired Japanese naval officer to a member of this office. The informant was apparently sincere in his regret that the Navy would be eventually dominated in China affairs by the Army faction and felt that the Navy's participation (except in air operations) in the present hostilities had been overshadowed by the Army.

While it is naturally difficult for the Occidental mind to reconcile Admiral Taketomi's statements as regards the South Sea areas with his avowed lack of territorial ambitions, nevertheless if the acquisition of Manchuria and the violation of China can be considered as indicative of what may happen to the Southward in her announced intention to establish a hegemony over the Asiatic, those nations possessing territory there must be prepared either to defend or vacate.

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

ATTACHE'S REPORT

C-10-K/21347-C

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from available. These copies will be distributed by O. N. I. as per footnote or otherwise, according to subject matter.

From NA/Tokyo Date Feb. 6, 1952 Serial No. 25 File No. 103-100  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

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

Reference \_\_\_\_\_

NOTE.—(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.)

Diet Interpellations Concerning Asia Promotion Board

DECLASSIFIED  
 E.O. 11652, Sec. 3(E) and 5(D) or (B)  
 OSD letter, May 3, 1972  
 By KT, RANS Date MAY 21 1973



32

Tech. Div.	C. in C. U. S.	Com. Int. Pers.	Com. Bus. Pers.	C. in C. Asia	Com. S. S. R.	Com. Air	Attache at	Operations	6. Ships	Com. Mater.	Returns to Exam. No.
								Can. Div.	W. P.	Com. M. T.	

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform in size with this form where practical. Submit extra copies of drawings, outlines of sketches, etc., where practical. If practicable, submit sketches in suitable styles for blueprinting or photostating.

Report No. 23  
Japan  
February 6, 1939

105-100

Diet Interpellations Concerning Asia Promotion Board

Reference: (a) NA/Tokyo Report No. 11-39

Concerning the jurisdictions of the Foreign Office and the Asia Promotion Board (China Affairs Board), mentioned in reference (a), considerable discussion is being carried on in the Diet. During recent interpellations, the following transpired:

An interpellator (member of the Minseito) attempted to have the Foreign Minister differentiate between politics and diplomacy as regards China and then to pin him down on what were to be the jurisdictions of the Foreign Office, Asia Promotion Board and the Supreme Command.

Interpellator: "If the formation of a central regime in China is not the work of the Foreign Office or of the Asia Promotion Board, then whose is it?"

Foreign Minister: "There are various things to be reckoned with in this world. It is possible, I think, that some of them belong to the concern of the Foreign Office and others to that of the Asia Promotion Board, while still others may not belong to either. I do not know who will undertake the establishment of the new regime in China. Granted that it is established, it may exist as a matter of fact but it cannot necessarily be said which Government office of Japan has competency over it."

Interpellator: "In that case I don't see the significance of having established the Asia Promotion Board... (omitted)... I shall cite many instances. Please classify them whether they are diplomatic affairs or political affairs. I believe that these touch on both sides. At any rate, unless the competencies of the Asia Promotion Board and the Foreign Office are clearly marked off from each other, the responsibility of each Minister concerned will not be clear. If competencies are confused, responsibilities will get confused.... (omitted)..."

Foreign Minister: "As this is a time of military operations, there are many troops dispatched to China. Since the Army is striving to overthrow the Chiang Kai-shek regime, it can resort to various methods. These matters are neither within the competencies of the Asia Promotion Board nor of the Foreign Office. I think that they properly belong to the competencies of the Army."

Interpellator: "Guidance over the development of Manchoukuo is partly done by the Army. In this sense, is the Army dealing with affairs in China within the scope of the supreme command prerogative?"

Foreign Minister: "That is a question outside of my jurisdiction.... (omitted)...."

Interpellator: "Please explain the distinction between politics and economic diplomacy."

Foreign Minister: "There is at present no such a thing as China diplomacy in China."

Interpellator: "If so, what about the Legations and Consulates in China?"

Foreign Minister: "With these the Foreign Office sometimes has negotiations to conduct. The diplomatic establishments of Japan in China just now, therefore, are only for the purpose of negotiating with third Powers."

Interpellator: "Then, am I to understand that in China diplomacy exists for us only insofar as negotiations with third Powers are concerned and that there is no diplomacy as regards China itself? All the rest is politics and is under the jurisdiction of the Asia Promotion Board and is no concern of the Foreign Office. Can I interpret your meaning in this way?"

Foreign Minister: "For the time being that is so."

Interpellator: "If it is for the time being only, then, when the China incident is settled and a sort of central regime is established, which we recognize, the affairs in China will return to the Foreign Office. Am I to understand it thus?"

Foreign Minister: "In that event all the negotiations between the central regime and Japan will be under the jurisdiction of the Foreign Office. But as to whether the activities of Japanese in China will be under the jurisdiction or supervision of the Foreign Minister as hitherto or whether they will be under the Asia Promotion Board is another question reserved for the future. But it is clear at least that the negotiations with the new government of China will be within the competencies of the Foreign Office."

Interpellator: "New regimes have emerged in China, and Japan has made various de facto arrangements with them. For instance, such matters as navigation on the Yangtze, the Lung-yin iron mine, the Tachishan iron mine, etc. are being arranged with the new regimes although these regimes have not been recognized. These things are politics and not diplomacy and therefore not within the jurisdiction of the Foreign Office but of the Asia Promotion Board. Am I to understand it in this way?"

Foreign Minister: "Yes."

Interpellator: "The conclusion to be drawn from the statements of the Foreign Minister concerning the definitions of diplomacy and politics is that there are matters which fall neither under the jurisdiction of the Foreign Office nor of the Asia Promotion Board and are dealt with as exigencies of the situation demand. Also, that matters relating to third Powers are all handled by the Foreign Office. If a new regime is formed, its recognition will be the task of the Foreign Office. The negotiations with the existing new regimes, however, are under the jurisdiction of the Asia Promotion Board until a central regime is recognized. As regards the liaison department of the Board, matters are clear in the abstract but in fact there are various complex points in practice. Are these the conclusions to be drawn from the Foreign Minister's statements?"

Foreign Minister: "Yes, on the whole. Only, as regards the liaison department, you say that there are confusing points but what I meant was not that there are confusing points at present but only that when it comes to practical matters some unforeseen problems might arise."

COMMENT: It is believed the above is but another indication of the growing concern as regards the trend toward usurpation of the powers of government by the military.

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

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from afloat. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date Feb. 6, 1939 Serial No. 24 File No. \_\_\_\_\_  
(Complete new copies each January first) (Select proper number from O. N. I. Index)

Source of information \_\_\_\_\_

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

Reference \_\_\_\_\_

NOTE.—(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, personnel, or political names, and the gist of the report.)

Conversation with Member of Manchoukuo Embassy

REF ID: A66587

REF ID: A66587

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (F)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973

Yank. Div.	AGRE-12-E				Manu- graph	Arch- ives	Budget	C. R. O.	Gen'l. Serv.	War College	N. I. S.	Nav.	Ord.	I. S. B.	C. A. S.	Eng.	S. S. A.	M. A. S.	Aer.	U. S. M. C.	H. O.	
	C. in C. U. S.	Com. Sec. For.	Com. Sec. For.	C. in C. Asia																		Com. S. S. A.

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

AMERICAN EMBASSY.  
OFFICE OF THE NAVAL ATTACHE.  
TOKYO, JAPAN.

Enclosure (B)  
Report No.24-39

20 July 1938

~~CONFIDENTIAL~~

Memorandum for the Ambassador:

While I was absent from the office at about 10:45 this morning, Mr.--- came in again to the Consulate ostensibly to obtain a visa but apparently to get in touch with me. Lieutenant-Commander Bridget and Mr. W. Garland Richardson talked to him in the privacy of my office. He stated as follows:

(a) "Look out for another PANAY Incident right now. Watch out for the whole Asiatic Fleet". (His words)

(b) The return of Ambassador Ott to Yokohama today may determine: first, an intentional attack on a unit of our Asiatic Fleet; second, aggressive action against the Soviets from Manchoukuo. The Germans are the ones who are to determine whether action shall now be started against the Soviets. The Japanese are ready to move in Manchoukuo at any time. The controlling elements in the Japanese Military are now officers from the rank of Major to Colonel. The same applies to the Navy. If things do not happen soon in Manchoukuo they will in the Yangtze Valley. By the latter he means an international incident.

(c) In regard to my last memorandum as to Japanese naval infiltrations off the coasts of Salvador and the Aleutians, Mr.--- states that the El Salvadorean consul was approached to keep a number of Japanese fishing vessels at Fonseca to await developments. Mr.--- states that a firm attitude by us at this time will stop it.

I am submitting this as information which has been volunteered. It appears to be rather fantastic to us.

Captain Griffith from Peking has never heard of Mr.---. The latter told me when I first met him at the Italian Garden Party that he knew Commander Overesch very well.

Mr.--- wishes to arrange a clandestine meeting with me, Nikko or some other place, to have a four hour talk.

Very respectfully,

**AMERICAN EMBASSY.  
OFFICE OF THE NAVAL ATTACHE.  
TOKYO, JAPAN.**

Enclosure (A)  
Report No. 24-39

27 October 1938

~~CONFIDENTIAL~~

Memorandum for the Ambassador:

At Prince Fushimi's funeral on 26 October a conversation was held with a North China-Manchurian who has previously discussed similar matters.

He stated that he would give us a copy of the German-Manchoukuo Trade Agreement.

Concerning U.S. Naval vessels in China, the following statement was made: "You had better watch everything you've got".

Following a short talk, he requested the other party to this conversation not to talk to him further at this funeral.

COMMENT:

While this individual has given this office specific information, namely, the Italian-Manchoukuoan-Japanese Trade Agreement, and various indirect warnings which were substantiated to a certain extent, he has prejudiced his value somewhat in the eyes of this office. He has discussed with many people, all Americans however, information delivered to this office. While pro-Chinese himself, there is doubt as to his motives. It would be distinctly to the interests of China if he could cause complications between the United States and Japan.

Very respectfully,

Report No. 24  
Japan  
February 6, 1939

~~CONFIDENTIAL~~

Conversation with Member of the Manchoukuo Embassy

- References: (a) Memorandum by the Naval Attache to the Ambassador dated 27 October 1938  
(b) Memorandum by the Naval Attache to the Ambassador dated 20 July 1938
- Enclosures: (A) and (B) Copies of references (a) and (b) (attached to original report only).

A Chinese secretary of the Manchoukuo Embassy volunteered the following information to a member of the American Consular Staff:

"Naval Building:

"On a recent visit to the naval base at Yokosuka the following ships were seen under construction:

- 4 submarines of 1,500 tons each
- 2 destroyers of 3,500 tons each
- 2 light cruisers of 6,000 tons each
- 1 airplane carrier

"The submarines and destroyers are scheduled to be completed this year.

"Airplanes:

"At Yokosuka he saw six 4-motored heavy bombers. There were only a few seaplanes, the largest being a 2-motor plane. There are six hangars for airplanes, each with a capacity of about 30 planes. Only one of the six was full. The area of the airfield is about 350,000 tsubo.

"The Techikawa Airfield has an underground hangar with a capacity of about 40 planes. At present there are about 20 planes there. The largest was a 2-motor plane.

"Supplies:

"He said that there is very little iron at Yokosuka and that construction is hampered for this reason. He gave it as his personal opinion that if iron and cotton from the United States were cut off, the Japanese would be so seriously affected that they might declare war.

"German-Japanese Relations Regarding Russia:

"On two occasions the Japanese Government has proposed to the German Government a simultaneous attack on Russia. The last proposal was made in August, 1938. The German Government refused on both occasions. Mr. Wu does not believe that Japan alone will attack Russia.

"Reason for Giving Information:

"It may be of interest to add that Mr. Wu stated that he was giving me this information because he is a Chinese and wants to help China in every way possible."

COMMENT:

Political and military information has previously been volunteered by the same individual (see references) to both the British and American Embassies. While this office believes that

~~CONFIDENTIAL~~

such has generally been colored for obvious reasons and did not accept his statements at their full value, nevertheless the program of ships under construction at Yokosuka is logical and probably is a fairly good summation of what is actually being built there.

As regards Japan's proposal to make war on Russia: It was a current rumor in Tokyo early last fall that the new German Ambassador had returned to Japan with definite information for the Japanese Government as to the lengths to which Hitler would go in that respect. It was the opinion here that he had instructed the Japanese not to become embroiled in a war with Russia at the present time.

~~CONFIDENTIAL~~

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

ATTACHE'S REPORT 4236

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/TOKYO Date Feb. 15, 1939 Serial No. 29 File No. \_\_\_\_\_  
(Commence new series each January first) (Subst proper number from O. N. I. Index)

Source of information ASAHIGRAPH of 14 February

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

Reference \_\_\_\_\_

NOTE.—(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.)

"Examination of Joint Operations by England and America" by  
Captain Yusuke Yoshimi



DECLASSIFIED  
 E.O. 11652, Sec. 3(E) and 3(D) or (H)  
 OSD letter, May 3, 1972  
 By RT, NARS Date MAY 21 1973

Yok. Div.	C. in C. U. S.	Com. Sub. For.	Com. Sub. For.	C. in C. Asia	Com. S. E. A.	Com. A. S.	Assigned to	Operations	Com. Div.	W. P.	Com. J. I. T.	State	Com. Serv.	Refer to Exam. No.
-----------	----------------	----------------	----------------	---------------	---------------	------------	-------------	------------	-----------	-------	---------------	-------	------------	--------------------

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of drawings, surfaces of sketches, etc., where practical. If practicable, submit sketches in suitable styles for microprinting or photostating.

34

Report No. 29  
Japan  
February 13, 1939

~~CONFIDENTIAL~~

"Examination of Joint Operations by England and America" by  
Captain Yusuke Yoshimi (no record of any officer by this name)

With public opinion being daily impressed with the need for national solidarity for the "Construction of a New Order in Asia" and warned of the "necessity for the Navy's command of the Sea and Air in the Western Pacific", the following article in the 14 February Asahigraph is considered timely and exemplary of the type of propaganda that is accepted as fact by the masses. This feeling of invincibility likewise bolsters Japan's present aggressive political and naval diplomacy in rapidly increasing increments in proportion to the apparent ease with which the Japanese are riding roughshod over the Powers in Asia.

- - - - -

Introduction:

"The tide of construction race which has been flooding since the arrival of the non-treaty era appears to have reached its highest mark with the arrival of 1939. America is devoted to naval construction to an abnormal degree, far in excess of her needs. England is continuing her steady advance towards armaments expansion at a rate that defies imagination; the completion of one vessel a week! These two democratic states, their suspicion against the daily-strengthened anti-comintern axis creating a bugbear and their nerves on edge from watching the development of the Chinese Incident, are attempting to increase the pressure to bear upon the East Asia under the pretext of the protection of their vested interests. We should scrutinize their moves fully in case they should attempt to invade the Far East especially as to what form of joint operations they should conduct; what course their fleets should follow, and what is the condition of their advance bases.

Comparison of fighting strengths:

"The familiar ratio of 5-5-3 is still standing in the comparative tonnages of capital ships. However, superiority in this connection cannot be decided by figures alone, since our main force has at its command superior gun power and technique, and unrivaled spiritual strength. In addition to this, as has been pointed out by German and Italian critics, while our capital ships have been modernized to a perfect transformation, similar modernization by England and America has been done in an extremely inferior fashion. As an example of this, England is equipping her capital ships with catapults now for the first time.

"Since the arrival of the non-treaty era England has laid down two 35,000-ton 14-inch gun battleships, subsequently started additional three sister ships, and in 1938 two more battleships of the same type were laid down. America laid down two battleships earlier and two additional ones are also under construction, all of which are 35,000-ton displacement equipped with 16-inch guns.

"A well balanced Main Force is the strongest; it must be born in mind, however, that various vessels (including 10,000 ton cruisers and planes) must be blended together into one body along with the capital ships. When it comes to cruisers the majority of British cruisers, upon which England depends for the protection of her colonies, are inferior craft hastily built following the Washington Conference. As for American cruisers, these spring leaks after the concussion created by gunnery practices and their condition hinders speedy maneuvers by their fleet. As cruisers they are incomparable with our cruisers, the superior fighting strength of which is attested by the fact that the

MOCMI class ships displacing 8,500 tons and equipped with 6-inch guns are more than a match for British or American 10,000 tonners equipped with 8-inch guns.

"As for aircraft carriers each country has approximately the same number and tonnage. However, for Japan which would confront enemy fleets in adjacent seas, numerous islands could be used as unsinkable aircraft carriers. Should these islands be utilized as auxiliary aviation bases, the effect would be the same as possessing so many additional carriers. Thus, in organizing the naval air force, the retention of many carriers of the 10,000 ton class is most suitable to Japanese Navy's defensive tactics based upon topography.

"Both England and America possess naval air forces of considerable sizes. In their Far Eastern operations, however, they would experience difficulties in transporting replenishments as they do not have aircraft factories of large scale in this region.

"As for British and American destroyers and submarines, they bear no comparison with ours. It is unthinkable for the superannuated, small-sized crafts, hastily constructed during the World War, to participate in the overseas operations. Figures showing the strengths of these crafts, therefore, should be taken at a discount. On the other hand, praiseworthy perseverance of our officers and men would be a great asset in employing these crafts in tactics original with us.

"On account of the scarcity of crews, even American standing fleet has only about 80% of its regular complement.

#### America's line of attack:

"Two lines of attack are conceivable in America's invasion of the Far East. One is to leave Dutch Harbor of the Aleutians and advance along and occupy the Kurile Islands as an advanced base. The other is the southern route to recover the Island of Guam. Should the American fleet choose the former route, it would not meet much opposition. However, it is a very difficult course, as in summer it would encounter dense fogs and in winter continuous storms. The region is scarcely inhabited; and provisions are not available. All that the invading fleet can do would be to make air raids on the Japanese mainland. There would be no chance of commerce destruction or a decisive battle between main forces. Should the American fleet choose the Southern Route, its position would at once be discovered by us since their fleet would have to advance through the midst of our island possessions. The invasion by this course also would be extremely difficult, since the fleet would be made the target of the constant attacks by our submarines and aircraft. Even if the American Fleet should succeed in turning Guam into an advanced base, it would be extremely doubtful whether or not its supply ships could break through our line of blockade in safety.

#### American naval bases in the Orient:

"Hostilities once started, Japan can deal first a mortal blow by attacking Philippines, Guam, U.S. Asiatic Fleet and American Marines in China. At present approximately 11,000 Army men are stationed at the Philippines and their capital Manila is guarded by a perfectly equipped island fortress. However, should Japanese troops effect their favorite tactics of landing 'in the face of the enemy' at several places on the islands, they could defeat the garrisons before the arrival of reinforcements from America and seize the fortress. On the other hand, 150 marines are stationed at Guam, but they would be attacked from the rear by Japanese fleet which should have the freedom of choosing the attacking time, and all the means of communications would be seized without a chance of resistance by the garrison. It is plain that the U.S. Asiatic Fleet

and Marines in China should be annihilated without a semblance of resistance. Thus, shortly after the opening of hostilities, the U.S. main fleet based on Hawaii would lose its bases on the Western Pacific.

#### British Advanced Bases:

"The two most important British advanced bases on the Pacific are two naval stations at Hongkong and Singapore. On account of our troops' occupation of Canton, the value of the former has been reduced to a mere isolated island's from the points of view of strategy and commerce. (Article in question was written and published before the occupation of Hainan Island). The latter has modern equipments established at the cost of £ 100,000,000 defrayed over a period of 10 years. Should British Fleet entrench itself at the base and be able to hold it until the arrival of reinforcements, since the base is 1,600 nautical miles from Formosa, it should be troublesome for our fleet to make an attack and our South Seas trade might be molested by British cruisers based on the station. The base should be disposed of, therefore, before the arrival of British reinforcements.

#### Highest Commander of the Joint Operations:

"From which camp should the commander-in-chief of the joint operations be chosen, would prove to be a difficult question. Since both nationals are headstrong, they would not graciously submit to other's command. The question of command of joint forces has always fostered trouble. It would be necessary, therefore, to divide the areas of operations between British and American forces. Under such circumstances (note the experience of the British force which could not advance at Tsingtao without Japanese troops' support) would be repeated. Both British and American fleets conduct extensive maneuvers on the Asiatic waters. Particularly the U.S. fleet holds maneuvers every year on an extensive sea area between the American continent and the West Pacific. So far, they have not conducted joint maneuvers.

#### Key to Oriental Peace.

"It is easier to fight against joint forces which lack coordination than to fight England and America individually. Even if present international conditions allowed their entire fleets to invade the Far East, as has been pointed out, their fleets are too defective for the organization of expeditionary forces. Unbalanced fleets such as those should not be able to cope with a well balanced and efficient fleet. Since the anticipated stage of the sea-battle is around Bonin Islands and South Sea Islands, Japanese fleet should be far closer to its base of operations than British and American fleets to theirs. This would give a tremendous advantage to the former in the use of air forces, submarines and smaller crafts, enabling Japan to choose most convenient time for a decisive battle.

"The position of British and American fleets should be quite contrary to that held during the World War in this that they would be obliged to continue constant efforts in long-distance blockade, precaution against torpedo and bombing attacks, and maintenance of extensive lines of communication and supply until an opening might present itself.

"Japan will never lay herself open to attack as long as her Navy remains as a stabilizing power in the Orient. However, the two countries are conducting large-scale naval construction which will be completed in 1942. Should Japan neglect to arm herself, being contented with the present state, they would not fall in taking aggressive steps in turning their strengthened fleets to account. The key to the world's peace is for Japan to maintain well balanced and well equipped Navy such as caused American Secretary of State Stimson to retreat at the time of the Shanghai Incident."

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

ATTACHE'S REPORT

0-12-c/7206-5

Forward seven copies (original and six copies); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for safety disseminating information from attaché. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Feb. 14, 1939 Serial No. 35 File No. 902-100  
(Classify copy serial with January list) (Select proper number from O. N. I. Index)

Source of information Official Documents

Subject Japan Navy - Policy - Basic  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference \_\_\_\_\_

35

Summary: (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, personnel, or political notes, and the gist of the report.)

Navy Policy and Naval Expansion as Enumerated by the  
Navy Minister in the Diet

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (G)

OSD letter, May 3, 1972

By RT, NARS DA MAY 21 1973



Dist.	U. S.	Sub. For.	Gen. For.	U. S. C. Sub.	Com. & R. R.	Com. Ad.	Attache of	Com. Dir.	W. P.	Com. J. T.	State	Com. Sec.	Return to
													Exec. No.

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform to size with this form where practical. Submit extra copies of clippings, carbon or sketches, etc., where practical. If practical, submit sketches in suitable style for blueprinting or photostating.

Report No. 35  
Japan  
February 14, 1939

900 - Navy  
902 - Policy  
100 - Basic

Naval Policy and Naval Expansion as Enumerated by the Navy  
Minister in the Diet

The following quotations (from the Domei release) of certain interpellations and answers thereto serve to illuminate Japanese naval policy, naval expansion and naval views on defense, politics and other factors.

Policy:

"To assure control of the seas and of the air in the Pacific (area not defined) and to become the propelling force for the enforcement of our national policies. The Navy's present ("under present appropriations") armament is sufficient for the establishment of a new order in East Asia". Admiral Yonai on 8 February declined to discuss the possibility of the occupation of Hainan Island.

Naval Expansion and Naval Construction:

When asked concerning the version of Italian origin about Japan's construction of huge capital ships of 46,000 tons, Admiral Yonai replied that the version current abroad was quite unfounded and furthermore refused to disclose the tonnage of new ships under construction. In answer to a question as to whether Japan's aircraft carrier strength is quite as great as it might be he replied: "The Navy hopes to add some good aircraft carriers". To impress on the Diet members that the above-mentioned "under present appropriations" was of importance, Admiral Yonai said that he had full confidence in the capability of Japan to finance the revised program, adding:

"The Navy of the Empire is confident of making the naval defense adequate by combining the present naval power with the enforcement of a new construction plan to be submitted to the Diet shortly in the form of a supplementary budget. The armament replenishment up to the year of 1941 can be done in accordance with the present commodity mobilization plan.

"The foregoing supplementary budget represents a plan to replenish and revise the existing plan (3rd Replenishment Program) of the Japanese Navy, which the naval authorities announced some time ago, to cope with the swollen armament expansion plans of Great Britain, the United States, Soviet Russia and other Powers. The supplementary budget, in accordance with the line of the existing plan, calls for a continuation expenditure over several years, for the construction of warships and an increase of the number of aviation corps". (Probably upward revision in number of ships, planes and personnel).

When asked regarding the prospective capacity of the nation and its relationship to national defense measures, the Admiral replied:

"The fiscal year 1939-40 will be the most difficult period for the replenishment of the productive capacity but it will become easier in the fiscal year 1940-41. The replenishment of armament can be accomplished during the three years in accordance with the material mobilization program now in force."

Defense:

The Navy Minister made a denial that the Navy had any intention of establishing a permanent base on the Chinese continent.... subsequently stating: "On the coasts of Central and South China the present occupied areas must be defended so that they may contribute to the construction of the so-called 'new order in East Asia'... such is the Navy's firm conviction."

In replying to an interpellation urging the strengthening of Japan's defenses in the Bonin, Pescadores and Kurile Islands, Admiral Yonai begged to defer his reply until the presentation of the supplementary budget for new naval construction (probably a secret session).

#### Political:

Admiral Yonai denied that the Kono statement of 21 December (peace terms) had any effect upon the officers and men of the Imperial Navy and denied that the latter had been the least affected by the Comintern's attempt to sovietize them, adding that sufficient precaution would also be taken in the future.

Regarding relations between the Italo-German-Japanese anti-Comintern pact and the Navy, the Navy Minister stated "as a member of the Government":

"The anti-Comintern Pact is an ideological agreement and does not touch on concrete matters connected with national defense." While denying ability to forecast the future, Admiral Yonai said he thought a Sino-Japanese offensive and defensive alliance would contribute greatly to the new order in the Far East.

#### Merchant Marine:

When asked if the present merchant fleet (4,500,000 tons of ships above 1,000 tons) would be sufficient if Japan, Manchoukuo and China were to cooperate as one unit, Admiral Yonai urged that the present tonnage be doubled and that the present mercantile marine schools and seamen's training institutes be increased to cope with this expansion. (Note: incidentally, thereby adding to Japan's naval reserve effectives both in officer and enlisted personnel).

#### Naval Aviation:

In response to a suggestion that there might have been too intensive use of the naval air arm in the China Incident, the Navy Minister stated that:

"All that has been lost so far in the fighting has been replaced and, in addition, we have more than sufficient to replenish the Air Force. We are perfectly confident on that score." Admiral Yonai admitted that the Navy had suffered the most damage in aircraft, adding that the loss of vessels had been negligible.

When asked if the Naval Air Forces did not excel those of the Army in mechanical equipment and technique and whether the Navy has under consideration the creation of a central aviation research organization for the development of aviation for the two services Admiral Yonai (through modesty?) ignored the prelude and replied "At present, we have no such idea."

#### Guam and America:

In continuation of our Report No. 12-39 as to Japanese reactions to proposed U.S. fortifications in the Pacific, Admiral Yonai stated as follows:

"I see no reason why the friendly relations between the United States and Japan should come to a rupture. There can be no change in the Japanese naval armament policy of non-menace and non-aggression, giving the minimum strength necessary to assure solid national defense. If the United States should suspect Japan of some aggressive intentions, it is a gross misunderstanding.

"If the United States should take pains to strengthen its Guam base I can only say that I would be sorry for it. For, to build a fortress at an isolated point is in itself to weaken the fighting strength of the main forces. The Japanese naval authorities are not attaching much importance to the Guam project."

~~CONFIDENTIAL~~

Past Building Programs:

In reply to an interpellation regarding the past building program (Second Replenishment Program to be completed in 1937-38) Admiral Yonai called upon Rear Admiral S. Inoue, director of the Naval Affairs Bureau, who is quoted as saying:

"The refitting plan prepared under Navy Minister Osumi kept to the limits within which the treaty Powers were to refit their capital ships for air and sea defense. The navy's plan, as far as it is within the treaty limits, has been completed and each year we have been demanding appropriations for refitting independent of the treaty limits in order to maintain and increase our fighting strength.

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

ATTACHÉ'S REPORT F-6-e/22379-B

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Feb. 14, 1939 Serial No. 38 File No. 900-907  
(Complete new serial each January first) (Select proper number from O. N. I. Index)

Source of information .....

Subject Japan Navy - Operations  
(Nation reported on) (Index title as per Index sheet) (Subtitle)

Reference .....

NOTE.—(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.)

Joint Army-Navy Operations - Hainan Island

36

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 3(D) or (B)

OSD letter, May 3, 1972

By RT, NARS Date MAY 21 1973



B-12, B-13, B-14, B-15, B-16		graph		index		sketch		collage		other		date		
Tech. Div.	C. in C. U. S.	Com. Nat. For.	Com. Am. For.	C. in C. Asia	Com. E. S. E.	Com. Afr.	Attended at	Completed	Com. Div.	W. P.	Com. J. T.	State	Com. message	Return to Room No.

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform in size with this form where practical. Submit extra copies of sketches, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable styles for blueprinting or photostating.

Report No. 38

Japan

February 14, 1939

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

900 - Navy

907 - Operations

Joint Army-Navy Operations - Hainan Island

On 2 February 1939 the Navy Department announced that Weichow Island, 30 miles south of Pakhoi, had been occupied by naval forces (but did not state date occupation was effected).

On 9 February the Navy Department announced a successful landing by Army and Navy units on Hainan Island:

"The South China naval units commanded by Vice-Admiral Nobutake Kondo and transport ships filled with land forces left a certain base on a certain day of this month and entered an undisclosed bay on the northern side of Hainan Island late on the night of February 9. The landing was begun at once and by 3 o'clock in the morning the attackers were ashore. There was a strong wind but the sea was calm.

"Naval forces covering the landing patrolled the shore near the landing place and sent airplanes to reconnoiter. They are now assisting the land forces in their operations. Part of the naval air squadron bombed and silenced the Hsiuying battery west of Haikow at about 10:45 o'clock in the morning. The battery had returned the Japanese fire, but the Japanese suffered no damage.

"According to a naval air reconnaissance, the military units pushed inland from various points and by 10 o'clock had occupied the pier at Hsiuying some distance from the point of landing. At 10:45 they had arrived at Kiungshan. The naval air force is exerting its utmost efforts in attacking the enemy positions in front of and behind the advancing military units and is inflicting heavy and severe losses."

According to a Domei release of 12 February:

"Following the occupation of Kiungshan, one of the main cities in northern Hainan Island, Naval Landing Force made a surprise landing through thick fog at dawn 11 February in front of Chinese positions at a certain point on Tengmai Bay. Routing the enemy at the point of landing, the Japanese proceeded about a mile southward and gained control of another strategic point in northern Hainan."

When asked for a summary of the landing operations, the Senior Aide to the Navy Minister plead ignorance of any details, stating that only the Army and Navy General Staffs were informed on these matters and that personnel of the Navy Department knew only what they read in the newspapers. Captain Ichimiya suggested that the success of these surprise landing-operations was due partly to the close secrecy with which they were guarded. He repeated the Navy spokesman's explanation that the occupation was a military measure to impress Chiang Kai-shek of the futility of his position; to enable the blockade against the munitions in Tonkin Bay and the Liuchow peninsula to be rendered more effective (by air or by sea) and added that it was his personal belief that when the object of the occupation was achieved, the forces would be withdrawn as there was no territorial aim connected with the operation.

Comment:

The occupation of Hainan came as no great surprise. During the past fifteen months such an operation had frequently been predicted. In fact it had been openly threatened by Japanese Naval officers. The reason given for the occupation, "military necessity", is not the underlying motive. Naval Attaches and other observers here are firmly convinced that it is "part and parcel" of the Navy's plans for a southward advance. This aim of the Japanese Navy has been reported upon and discussed frequently by this office over a period of six years.

In a recent NA/Tokyo Report, No. 11 of 17 January 1939, it was stated that the Navy had not, until recently been in accord with the Army on account of the Navy's conception of national defense which dictated strengthening the area to the southward, rather than activities on the northern part of the continent of Asia, but that apparently some agreement had been reached between the two, the immediate result of which understanding in so far as it referred to the Navy's desires would be more or less of a guess. The answer is apparent now.

What the occupation of Hainan will result in is unpredictable. It may conceivably be the spark which would set off a world conflagration.

As stated in NA/Tokyo Report No. 236-38 of 26 November 1938, the Navy, which had been clamoring for the isolation of Hongkong ever since the blockade was established in the fall of 1937 to be followed by a still further move to the southward against the island of Hainan and into the Tonkin Gulf, had persuaded the Army to join them in their demand for the Canton campaign. The capture of Canton and the occupation of the Pearl River Delta was, fortunately for the Japanese, carried out at no great cost in men or material. As soon as the military situation there had been consolidated the Army withdrew a considerable proportion of its forces in order to reoccupy previous positions in the north. No great European repercussions resulted from the Canton campaign. Emboldened by this and confident that the way was clear, especially as to danger of third power embroilment, for a still further move to the southward, Hainan was occupied. The number of troops involved is not known at the moment. It need not have been large. Neither, it is believed, will there be any extensive military operations in the adjacent Kwangsi area for the present. Japan now possesses Hainan from which she will undoubtedly conduct bombing operations against land lines of communication to Yunnan and from which she will better be able to close the remaining sea lanes. These, however, are but temporary advantages. A glance at the map will suffice to show the great permanent advantage she now has by possessing Hainan. France and Great Britain realize only too well how important that island is in strategical relation to their possessions in the Far East. We should also examine carefully Japan's position in relation to our own possessions there. Nothing more should be needed to convince Congress of Japan's intentions.

In what manner might this bring on a World War? I stated in Report No. 11-39 "It might appear very dangerous for Japan to permit herself to be drawn into a war with Russia before the military issue in China is settled and still more suicidal for her to attempt, concurrently, a southward advance." While still holding to that opinion I believe that the occupation of Hainan at the present time points conclusively to a military alliance between Germany, Italy and Japan and further to a complete understanding as to their present intentions and future actions. Japan has openly stated that she is preparing on two fronts (China and Russia). It is inconceivable that she would attempt an undertaking which might involve her in war on a third front (France and England) without assurance that, should such occur, Italy and Germany would immediately step in to keep those two nations occupied in Europe.

For many months the triumvirate has gambled on Great Britain's impotence, Russia's internal troubles and the isolation policy of the United States, or probably to express it better, upon the disinterestedness of the American public. If a halt is to be called to Japan's ambitions in the Far East it had better be done before it is too late. Every new move she makes appears to strengthen her position, not only at home and in the Far East but also internationally.



Report No. 49  
Japan  
March 1, 1939

908-150

Bill for Protection of Secrets regarding Military Resources

A bill providing for the preservation of secrets regarding any resources which may serve military uses was introduced in the Diet during the current week. It has been explained that the new enactment has been drawn up from the necessity of enforcing "stricter control over espionage". Inasmuch, however, as the excessive extension of the scope of anti-espionage measures may interfere seriously with economic activity, special care has been used in order to harmonize the preservation of secrets with smooth economic activity. With this end in view, the scope of control and the objects to be controlled has been confined to resources with close bearings on military requirements or which may be put to military uses in the event of future military mobilization.

Some quarters are of the opinion that there is no warrant for any new enactment, as the objects in view can be attained by the Military Secrets Protection Law, which is already in operation, and by the invocation of Article 44 of the National General Mobilization Law, but, it is explained, the Military Secrets Preservation Law is designed to safeguard secrets pertaining to matters within the Services and does not cover matters of military importance outside the Services. Although it may be so operated to prevent the leakage of military secrets from Government factories, it cannot effectively control espionage in private factories. As regards Article 44 of the National General Mobilization Law, it lacks provisions for the control of foreigners who may spy out and collect secret information. The new enactment is intended to prevent the leakage of secrets to foreign countries.

Article 1 lays down that the object of the present law is to prevent the leakage of information bearing on matters relative to human and material resources for military use which should be concealed from foreign countries.

Article 2 says that the Minister for War or the Minister of the Navy shall designate by order the items of military resources regarding which secrecy should be observed. If he deems the public announcement of these items inadvisable, he shall notify those in control of these items or connected documents.

The items which may be so designated include the following:

1. The output, productive capacity and classified details of equipment facilitating estimates of producing capacity, in regard to important materials for military use, either for the whole country (inclusive of Kwantung province and the mandated South Sea islands) or for any district, and the production program fixed by the Government and documents and charts illustrating this program.
2. The output of arms, producing capacity, classified number of important equipment and the number of employees at the arms producing factories or factories which can be converted into arms producing factories.
3. Similar particulars regarding the factories which produce important materials other than arms which may be put to military use.
4. The amount of important materials for military use stored in the whole country or in any district, the storage capacity of warehousing equipment, and the materials storage program fixed by the Government.

~~CONFIDENTIAL~~

5. The amount of important materials for military use which are stored by Governmental order, the storage capacity of the equipment concerned and the Government's storage program.
6. The amount of important materials for military use imported into the country or into important ports and the import program of the Government.
7. The total number of men with technical skill of military use and other important human resources, and their classification.

Besides the above, the transportation capacity of important railways, statistical figures of the materials transported, the number of aircraft for military use, the total number of motor cars and horses, important details regarding the equipment of aerodromes and shipping, the results of researches, inventions and processes which require secrecy for military purposes, and the important systems of communication which may serve military ends.

COMMENT:

On 6 February the Home Minister in reply to an interpellation in the Diet declared that the activities of various spy networks and individual agents had been greatly increased since the outbreak of the hostilities but declined to discuss any details of the arrests or counter-espionage measures. He added that there was considerable "legal spying" which would be checked by plans then underway (probably the above new anti-spy Bill).

Due somewhat to the anti-spy fever which is particularly high now, this new measure is sure to pass the present Diet. This will make official the present Departmental bans on the release of many strategic statistics such as figures on imports and exports of oil, gold, minerals, machine tools, etc. and thus render the future acquisition of such statistics by this office exceedingly difficult, if not impossible.

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

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From NA/Tokyo Date April 10, 1939 Serial No. 77 File No. 903-400

Source of information Press

Subject Japan

Reference

Note:—(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.)

Articles Concerning the Navy Minister

38

DECLASSIFIED  
E.O. 11652, Sec. 301; and 3175 (b)  
OSD letter, May 3, 1972  
By RT, NARS Date MAY 21 1973



FINISHED - FILE.....

Articles Concerning the Navy Minister

The following articles about the Navy Minister are submitted as being of interest. Much contained therein is what is popularly known as "hooey" but there is no question but that Admiral Yonai's remarks in the Diet about the danger to the state from too excessive an application of Governmental control (since quoted frequently) had great popular appeal. It is considered as voicing the sentiment of those opposed to the military's attempt to extend fascism into the national life of Japan. It is within the realms of possibility that the Navy, headed by Admiral Yonai, will be the stumbling block to the Army's militaristic plans.

From the JAPAN CHRONICLE, April 6, 1939: (By Tsunego Baba)

"Admiral Yonai stated in the Diet:

'The Navy has its own ideas about national defense in the narrower sense of the term. But when it comes to State affairs that have to do with the whole nation, the Navy claims no exclusive voice in them. Nor do I think the Army alone has any such voice. In my opinion, such matters ought to be handled by the Government as a whole, with due attention paid to internal conditions and international relations. As far as the Navy is concerned, we have no intention whatever of commenting ostentatiously on such matters as though we had independent views on them. Apart from that, I believe I have been asked if we have in mind anything that we want to be carried out resolutely in reforming the economic structure or in effecting other reforms, but I must confess that, being a naval officer, I am not well versed in matters concerning economy.

'To be brief, however, I think there must be a limit to what is known as controlled economy. If control were to be applied to everything, production would have to be controlled first of all and then distribution. If it came finally to control of consumption, I am afraid that the nation as likely as not would be doomed. Therefore, I think there must be a certain limit somewhere in the matter of control. The same is true, I think, with regard to free economy, and I do not believe there ever can exist freedom entirely unattended by control. Then something must be sought between what the people call free economy and what the people call controlled economy. I think I can say that much.

'Examining the existing economic structure with this in mind, I wonder if there is not a little more room for reform though radical reforms would be like killing an ox by mistake in attempting to refashion its horns. I think we shall perhaps have to follow a course that is evolutionary, not radical or revolutionary.'

"A Navy Minister so rich in common sense and capable of speaking so convincingly is worthy of the fullest respect, but what is more important is the existence of a legislature in which it is possible for a reply of this nature to be made. Japan's Diet seems to be functioning fairly well. The greater the efforts and sacrifices the Government exacts from the people until the end of the China Incident, the more the Diet will gain in prestige, as representing the people. The Navy Minister's speech quoted above serves to indicate the character of current politics in Japan and reflects an atmosphere in which it is not impossible to hope for full restoration of parliamentary politics."

From the JAPAN TIMES, April 2, 1939: (By Tsunego Baba)

"In the answers given in the Diet on various occasions by Navy Minister Admiral Mitsumasa Yonai there was much that voiced

the sentiments of the nation. The Navy Minister said there must not be any excessive enforcement of state control measures and that national defense, if carried out to the extreme, would ruin the nation. Such statements by the Navy Minister made the nation listen in wonder. By that I do not mean that the Navy Minister's views expressed are mistaken. Instead of being mistaken, they are quite common-sense views which no one will disapprove. But conditions in Japan during the past several years past made it so no one could voice such views which are patently clear enough to everybody. These views, however, the Navy Minister dared to express in the Diet and the newspapers published stenographic reports of those statements. It seemed that Japan thus has recovered her common sense. It is not at all an exaggeration to say that the nation at large felt genuine delight. People would now know what sort of a man Admiral Yonai is really.

"Wanting to writing about Admiral Yonai, I saw many men, and what I have discovered is that he, as an individual, is not particularly great or anything such but that he represents faithfully the atmosphere of the present Navy as a whole. 'The ocean is free.' If we make this a question of wartime international law, it will give rise to various complex arguments. But entirely regardless of that, if Navy men, on board a warship, cruise on a boundless expanse of ocean, they will irresistibly feel that the ocean is really free. They are unaccustomed to the unfree, make-one-fidgety life on land. They are thus averse to being worried over this side of life. The character of Navy men is formed on this broad expanse of ocean. Thus, when they speak on land, their utterances smack of the free, unrestrained atmosphere on the sea. Yonai's speeches in the Diet perhaps are of this category.

"Admiral Yonai originally is a man of reticence. In the Diet he sometimes makes too blunt answers. If a friend of his advises him to give the answers with a little more retouching of color, he will answer that he has already said what he has had to. True, the points raised in the parliamentary interpellations are found to have been practically covered in his answers. Only he has not verbally adorned his answers.

"About the time when the Czarist regime in Russia collapsed Admiral Yonai was stationed in that country. When he returned to Japan a party of his friends in the Navy held a meeting at the Navy Club to hear his talk on Russia. He attended the meeting and when he made a speech he finished it in only about three minutes. 'It's impermissibly too short. Speak a little more,' urged Yonai's friends at the meeting; and the future Navy Minister said that what he had to talk about had been all submitted in the form of an official report and that he had nothing more to talk about.

"Such economizing of useless loquacity is possibly one of the strongest points of Navy men. Life on a warship on the sea even in time of peace is a constant struggle against Nature. When wind is strong and waves are high, sailors cannot afford to indulge in useless talks. When the wind has abated and the sea has gotten calm, the monotony of life on the sea also makes one naturally silent. Particularly the present atmosphere of the Navy forces all the officers and crews of warships to continue their incessant efforts day and night. This can be said so of course as to the fighting in China. But quite irrespective of that, the Navy men's daily training on ships is very hard, which would forbid the public's imagination.

"Another matter of discipline which is demanded of Navy men is that they should not discuss politics. According to the naval authorities, politics is enforced only through the State Minister, that is, the Navy Minister so far as the Navy is concerned. Why this injunction? It is because politics is interesting and going deep in it will make one go endlessly too far.

This would make one neglect his naval duties, if unintentionally.

"In this respect of being aloof from politics, Yonai has been truly a representative figure in the Navy. In 1930 when the London naval limitation pact was concluded, an opposition atmosphere prevailed in the Navy. Admiral Yonai also could not approve the pact. But when the question became a political issue and the then Vice-Chief of the Naval General Staff, Vice-Admiral (now Admiral) Nobumasa Suetsugu and others voiced strong opposition, Yonai did not put in his oar about this political issue. He was then on the Yangtze as commander of the First China Waters Fleet. He was there two years and cruised up to Chungking three times. Thus he knows fully well the areas which have been converted into battlefields in the present campaign and he could clearly picture to himself the whole war situation in those areas with his eyes shut. But he did not pay any attention to political issues.

"Then doesn't he know anything about affairs other than naval? Here are some aspects of Admiral Yonai which are perhaps unknown to the general public. He is a deep reader and student of books, the like of which is seldom to be seen among men in the Defense Services. When he was in Russia, he was ordered to study Russian and he read many Russian books. It is a fact probably unknown to the public that he loved to read the novels by Ivan Turgenev. Not only that, he stayed in Russia more than two years, he thoroughly understands the time characteristics of the Russians. Russians' ways and means employed in politics and diplomacy have their peculiar strong and weak points. In order to meet them it is necessary to be specially prepared for that. It is a strong point for Japan to have such a man as Admiral Yonai at the head of the Imperial Navy, which is to be charged with the task of guarding Japanese fisheries, at a time when the future of the Soviet-Japanese negotiations over the fishery issue is apprehended.

"Not long after Yonai's return home from Russia, Japan sent her troops to Siberia. And he also was dispatched to Siberia. This sending of troops to Siberia was carried out in the form of a concerted action with the Powers. Thus, there developed the Powers' diplomatic activity surrounding this Siberia expedition problem. While Japan was delayed in taking active steps somewhere about Harbin, her attention having been taken unduly to the assistance to Semenov, England, rendering assistance to Kolchak, caused him to establish the Omsk regime. While such diplomatic activity of the Powers was being made in its intricate relationship with the Siberian expedition problem, Yonai, though we do not know by what means he did so, successfully found his way out to the mouth of the River Volga by crossing Ural and advancing west.

"This was toward the close of the World War. About the time the War was brought to a close, he was in Poland, having been dispatched there by the Government. When Germany was suffering the worst due to financial inflation and economic poverty, Admiral Yonai was staying in Berlin. What impressions he then received as to the political and economic problems of those nations had been left unknown to the public until recently, as he is a man of remarkable reticence. But in the last session of the Diet, through his answers to the parliamentary interpellations, the fact that he has a far-reaching view of his own was made known to the public, much to its surprise.

"Admiral Yonai hails from Morioka, Iwate prefecture. He was a classmate of Vice-Admiral Saburo Yasumi, a Seiyukai member of the House of Representatives. War Minister Lieut-General Seishiro Itagaki, who is a junior to Yonai by four or five years, is also a native of Morioka and a bosom friend of Yonai. These men have the common strong point of weight of character which characterizes the men coming from part of North Japan."

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

ATTACHE'S REPORT 0-1-n/20448

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for widely disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or otherwise, according to subject matter.

From NA/Tokyo Date April 12, 1939 Serial No. 83 File No. 103-300  
(Commence new series each January first) (Indicate proper number from O. N. I. index)

Source of information \_\_\_\_\_

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

Reference \_\_\_\_\_

NOTE:—(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.)

Soviet Fisheries

~~CONFIDENTIAL~~

39

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

Report No. 81  
Japan  
April 12, 1939

100 - Political  
103 - International Relations  
300 - Soviet Russia

Soviet Fisheries

~~CONFIDENTIAL~~

Since the announcement by the Soviet Union of its intention unilaterally to conduct an auction of the northern fishing lots Japanese opinion has been aroused and many threatening statements toward the Union have been made. In spite of such threats the auction was held on 15 March and during which Russian fishing concerns bought only four of the two hundred and ninety three lots offered for sale. Further-more, the Soviets themselves did not bid in the lots managed by Japanese which may indicate that they were not adverse to a peaceful settlement.

As the result of further negotiations between Ambassador Togo and Soviet Foreign Commissar Maxim Litvinov, the Japanese agreed to participate in a second auction to be held in Vladivostok on 4 April. In this second auction Japanese interests acquired a total of 359 fishery lots which is only 27 fewer than last year. Of this number, 264 lots are to be stabilized for five years and among them are the four lots which were bought by Russians in the first auction. Thus, the Japanese have secured the fishing lots but have acknowledged the Russian contention that stabilized fishing lots must be put up for auction when their lease has expired. Rent on the lots has been increased about 10 percent and the conversion rate remains the same as before, 32.5 sen per ruble.

The modus vivendi under which the lots will be operated for another year is an extension of the Convention of 1928. This is the third extension of the 1928 Convention.

As predicted by the Soviet Naval Attache (See NA/Tokyo Report No. 11-39) the Soviet Fisheries question was settled temporarily (for one year) without an armed clash between Japan and Russia. As reported by this office at various times over a period of eighteen months there is no question but that the Japanese Government as a whole does not desire involvement with Russia until the China situation is settled. While undoubtedly certain elements in the Army have been and still are advocating taking on Russia concurrently with China, saner elements headed by the Navy have been able so far to act as a deterrent and will probably be able to continue to do so. ✓

A persistent rumor was in circulation in Tokyo at the time of the new German Ambassador's return last year at the time of the Changkufeng Incident to the effect that he brought instructions to the Japanese Government to lay off Russia for the time being. I am not of that opinion. On the contrary, I believe he brought a plan of joint action for Germany, Italy and Japan which plan has so far been followed by those nations both in Europe and the Orient but that Japan is now the one who doubts the advisability of continuing the arrangement should war in Europe break out. In other words, Japan does not welcome its part of the contract which is to keep Russia occupied in the Far East after hostilities start in Europe. ✓

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

ATTACHE'S REPORT

Forward press copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to original number.

From NA/Tokyo Date April 18, 1950 Serial No. 88 File No. 100-101  
(Complete new section with January list) (Select proper number from O. N. I. Index)

Source of information Press

Subject Japan Political - National Government  
(Station reported on) (Index title as per Index sheet) (Subtitle)

Reference

Summary: (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.)

New Overseas Minister

40

DECLASSIFIED

E.O. 11652, Sec. 2.2; and NTP or (9)

OSD letter, May 2, 1972

By RT, NARS Date MAY 21 1973

Distribution:

- ONI (9)
- CINCAF (1)
- Com 16 (1)
- NA/Peking (1)
- NA/Tokyo (1)
- File (1)

Routing slip for use by O. N. I. Check distribution of the various copies as all copies. Check date against the distribution of the copy intended for the particular distribution or recipient.																		
Division	A-B-C-D-E	Ministry	Attaché	Subject	C.N.G.	Gen'l	The	S.I.B.	Nav.	Adm.	T.S.R.	C.S.R.	Rep.	S.S.A.	M.S.R.	Sec.	U.S.	R.G.
	B-1, B-2, B-3, B-4, B-M, B-II, B-11, B-12, B-13, B-14, B-15, B-16																	
Task	C, In C, U. S.	Comp. Sub. For.	Comp. Sub. For.	C. In C. Sub.	Comp. S. R. S.	Comp. S. R. S.	Standard of	Operations				State	Com- mence	Return to				
								Com. Div.	W. P.	Com. P. L. T.								

Use forms for all copies. Use only forms as supplied by O. N. I. Make all changes, etc., conform to use with this form where practical. Submit extra copies of shipping, surface of shipment, etc., where practical. If practicable, re-bond shipment in suitable style for microprinting or photostating.

Report No. 83  
Japan  
April 12, 1939

104-200  
100 - Political  
101.- National Government

New Overseas Minister [REDACTED]

General Kuniaki Koiso (Ret.) assumed the office of Overseas Minister on 7 April 1939 thus relieving the Commerce and Industry Minister Yoshiaki Hotta of his concurrent duties as Overseas Minister. General Koiso was born in 1880 and received his first army commission in 1901. He is a graduate of the Army Staff College and has been an instructor in that college and also in the Military Academy. During his career he became a director of the Military Affairs Bureau in the War Office and from this post he was elevated to War Vice Minister under War Minister Sadao Araki during the Manchurian Incident of 1931. After the conclusion of that incident he became Chief of Staff of the Kwangtung Army, commander of the Fifth Division (in Hiroshima) and then commander of the Korean Army in 1936. He was made a full general in November 1937 and attached to the Army General Staff until July 1938 when he was placed on the reserve list.

The appointment of General Koiso as Overseas Minister is noteworthy because of his strong and prominent stand in the Manchurian Incident of 1931. His outspoken and positive views are expected to bring an immediate strengthening of Japan's continental policy. An intimation of his character may be obtained from his nickname "the tiger of Korea" and the fact that upon his appointment he announced that he is a staunch believer that all problems can be solved by the "Imperial Way".

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

FE

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or otherwise, according to subject matter.

From NA/Tokyo Date April 24, 1959 Serial No. 99 File No. 169  
(Commence new series each January first) (Indicate proper number from O. N. I. Index)

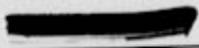
Source of information Press

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

Reference

Notes:—(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.)

"Taking Possession of 'Mitsun Islands'"



41

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 3(D) or (B)

OSD letter, May 3, 1972

By RT, NARS Date, MAY 21 1973

Distribution:

ONI (9)  
CinCAF (1)  
Com 16 (1)  
NA/Peiping (1)  
M/A Tokyo (1)  
File (1)

3/2

Revised format report use for use in O. N. I. Check distribution of this report under all marks. Check grade around the distribution of the report intended for the particular distribution as indicated.

Director	A-B-C-D-E	Major	Arch-	Budget	C.N.O.	Com'l	War	M.I.R.	Nav.	Ord.	T&S	C.S.R.	Eng.	R.S.A.	M.S.S.	Asst.	U.S.	H.O.
	B-1, B-2, B-3, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16																	
Asst. Dir.	C. in C. U. S.	Com. Staff. Pers.	C. in C. Asia	Com. S.S.R.	Com. Afr.	Attached at			Operations			Com. Div.	W. P.	Com. P.R. Tr.	State	Com. -	Return to	Exam. No.

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform in size with this form where practical. Submit extra copies of sketches, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Taking Possession of Shinnan Islands

The following editorial from the Asahi Shimbun of 19 April is submitted as of interest:

"The Imperial Government under date of April 18 announced in the Official Gazette the placing of the numerous islands in the South China Sea called the Shinnan Islands under the jurisdiction of the Municipality of Takao, Formosa, by a Formosan Government-General ordinance.

"This constitutes official recognition by the Government of the effective right to possession of the Rasa Island Phosphorus Company, which has operated enterprises on the islands since 1918 and completion of the step necessary to confirm the ownership of the Shinnans before international law. We are glad to note that now the conditions for Japan's ownership of the islands are complete.

"The value of the islands from the industrial and developmental standpoints has been quite established by the actual results obtained by the Rasa Island Phosphorus Company over a number of years. From the strategic point of view, there is no need to go to experts in order to learn of their importance. These islands are, in fact, of extreme importance as Japan's advance sentry post in the South China Sea. By means of them Japan can spread a sentry network extending between Borneo and French Indo-China and thus strengthen Japan's line of defense in the south. The hardships undergone by the Japanese in sending the sentry ship ASAMA to watch out for the coming of the Baltic Fleet in the Russo-Japanese War amply attest to the importance of some such a sentry post in the South China Sea.

"The islands also cannot be ignored from the scientific and practical points of view. The position of the islands makes them particularly suitable for oceanographic meteorological observations, which are so closely bound up with the life of our people. Being placed so deeply within the typhoon-generating center, the islands will enable Japan to make exact observations, which will benefit all countries affected by the seasonal typhoons.

"The issue that exists is the procedures taken by the French Government on 25 July 1933 for taking possession of the islands and its announcement at home and abroad in disregard of the prior claim of the Japanese. On August 21 of the same year the Japanese Government filed a protest with the French, so that the Japanese Government since then has clearly reserved its right to claim the islands. While the French have no effective right to possession of the islands, and their announcement was vague as to the areas involved, the Japanese Government clearly defined the areas and have taken effective and suitable steps to make its claim legal.

"Consequently, we are sorry but we cannot but ignore the protest from the French Government. As for the Philippines, Borneo, Singapore or the Dutch East Indies, they have nothing to fear from the Japanese ownership of the islands since Japan's purely defensive plans in these waters are quite clear."

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attacks. These copies will be distributed by O. N. I. as per instructions at shoreward, according to subject matter.

From NA/Tokyo Date April 25, 1950 Serial No. 90 File No. 100-1

Source of information Press

Subject Japan

Reference

NOTE:—(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.)

"Pacific Cruise of American Combined Fleet"

42

DECLASSIFIED

E.O. 11652, Sec. 8(E) and 8(F) of (b)

OSD letter, May 8, 1972

By RT, RAMP Div. MAY 21 1973

Distributions:

- OSI
- CinCAF
- Com 15
- NA/Peiping
- NA/Tokyo
- File

(7)  
(1)  
(1)  
(1)  
(1)  
(1)  
(1)

Division	A-C-D-E	Manu- graph	Arch- ives	Budget	C.R.O.	Com? Board	War College	N.I.S.	Nav.	Adm.	T.S.S.	C.A.R.	Reg.	S.S.I.	M.S.S.	Asst.	U.S. N.C.	H.Q.
	B-1, B-2, B-4, B-10, B-11, B-12, B-13, B-14, B-15, B-16																	
Task. Div.	C in C U. S.	Com. Int. Sec.	Com. Int. Sec.	C in C Asst.	Com. S. S. I.	Com. Asst.	Attended at	Operations			State	Com- munic.	Returns to Bureau No.					
								Com. Div.	W. P.	Com. J. N. T.								

Use forms for all copies. Use only forms as supplied by O. N. I. Make all notations, etc., uniform in size with this form where practical. Submit seven copies of duplicate, carbon or stencil, etc., where practical. If practicable, submit stenotype in suitable style for transcription or photostating.

Report No. 90  
Japan  
April 25, 1939

"Pacific Cruise of American Combined Fleet"

The following article, from the Hochi Shimbun of April 21st, 1939, is quoted as of interest:

"The American Navy Department ordered the main force of the Combined Fleet which had been massed in the Atlantic to cut short its schedule and move to the Pacific. Early yesterday morning the warships concerned weighed anchor at Norfolk and began filing out to the Pacific. There seems to be no room for doubt that the object of this Pacific cruise of the American Fleet is to keep watch over the moves of Japan which is joined to Germany and Italy by the anti-Comintern Pact and to exercise restraint on the Japanese Navy.

"In other words, it is nothing short of a demonstration or threat against Japan. Our special dispatch from New York says that in London it is remarked: 'The Pacific cruise of the American Fleet will make lighter the British burden of strengthening its defenses at Hongkong and Singapore, its Far Eastern bases.' This frankly speaks on behalf of the United States the object of the new American move.

"There is opinion in the United States which says: 'The Power the United States should guard against is Japan, rather than Germany or Italy. At whatever cost, we must make secure the line connection the United States with Hawaii, Guam and Singapore.'

"If this view is considered together with the shifting of the American Fleet to the Pacific, it must become obvious what great importance the United States Government is attaching to Japan's southward policy and how anxious it is to prevent its enforcement.

"At the same time that it is keeping close watch on developments in Europe, the American Administration is maintaining vigorous vigilance over the possible attitude of Japan in case the European crisis should end in war.

"But if the United States thinks that by sending a Fleet to the Pacific it can to any extent restrain Japan's actions, nothing could be more mistaken. So long as there is such intention behind it, it is as harmful as the message of President Roosevelt to Germany and Italy, which, instead of bringing peace to Europe, is calculated to aggravate the crisis, and will have the effect merely of creating rough seas on the Pacific.

"We regret the incessantly developing acts of challenge in some quarters of the United States the more keenly because the feeling of friendship and good which the ASTORIA mission has engendered is not a thing of the remote past."

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

ATTACHÉ'S REPORT

F-10-e / 17027-P

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date April 26, 1939 Serial No. 93 File No. \_\_\_\_\_

(Common use series  
with January first)

(Select proper number  
from O. N. I. Index)

Source of information \_\_\_\_\_

Subject Japan \_\_\_\_\_

(Nation reported on)

(Index title as per index sheet)

(Subject)

Reference \_\_\_\_\_

Note.—(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.)

USS ASTORIA's Visit to Japan



DECLASSIFIED

E.O. 11652, Sec. 3(E) and 3(F) of (B)

OSD letter, May 8, 1972

By RT, NARS Date MAY 21 1973

MAY 16 1939

Report No. 93  
Japan  
April 26, 1939

USS ASTORIA's Visit to Japan

It is requested that the attached copy of the American Ambassador's report to the State Department, together with copy of the program arranged in connection with the ASTORIA's visit, and the following comment, be considered as my report on subject matter.

COMMENT:

The ASTORIA arrived at the appointed time off Tokyo Bay and rendezvoused with the Japanese destroyers detailed to escort her to Yokohama harbor. The program thereafter including honors, ceremonies and calls was carried out as scheduled, except for the following:

(a) At the suggestion of Captain Turner invitation to dine on the cruiser KISO, the evening the ASTORIA arrived and before funeral ceremonies were held, was regretted as not being in keeping with the solemnity of the occasion.

(b) The American Ambassador, the American Consul in Yokohama and the Naval Attache with their wives dined informally on the ASTORIA the night of its arrival which gave us opportunity to discuss with Captain Turner matters connected with the ASTORIA's visit.

(c) The farewell party April 25th on board the ASTORIA was a formal dinner (47 guests attending in addition to 20 ASTORIA officers) instead of an afternoon reception as originally planned.

(d) Visiting hours on Saturday afternoon, April 22nd, were designated for Americans resident in Japan and particularly for American children.

(e) The Naval Attache gave an informal Sunday afternoon "At Home" for officers of the ASTORIA, Americans resident in Japan and a few British, French and Canadian members of the Diplomatic Corps instead of a dinner.

(f) A Mr. Nedzu, with permission of the American Ambassador, gave a garden party the afternoon of April 24th which was attended by many prominent Japanese and foreigners in both official and private circles together with their wives which gave the ASTORIA officers an opportunity to meet the flower of Japanese womanhood, an opportunity which had not previously been provided to any great extent.

(g) As usual, considerable informal and impromptu entertainment was provided the enlisted men by the larger newspaper offices, Americans resident in Japan, etc. taking the nature of theater parties, small parties in private homes, etc.

At the invitation of the American Ambassador and Mrs. Grew, Captain Turner, Lieutenant Gladney (his Aide) and Commander Theiss lived at the Embassy for a considerable portion of their nine day stay. The American and Tokyo Clubs provided facilities for officers to change their uniforms and clothes, bathe, etc. The Foreign Office put five double rooms at the Imperial Hotel at the disposal of the officers. Motor car, bus, tram and railway transportation was provided by the Foreign Office, Navy and War Departments and the Yokohama and Tokyo municipalities.

The ASTORIA's visit can be considered as being an exceedingly successful one. The manner in which all matters connected therewith was carried out together with behavior of personnel left nothing to be desired, in fact, can be highly commended. As stated in the attached report of the American Ambassador, Captain Turner acquitted himself with great credit. To the Naval Attache it seemed particularly fortunate that he was selected for the task.



Report No. 94  
Japan  
April 27, 1939

100 - Political  
103 - International relations  
100 - Alliances

German-Italian-Japanese Military Alliance

References: (a) NA/Tokyo Report No. 38-39  
(b) NA/Tokyo Report No. 77-39

Reports are persistent in Tokyo that the Japanese Government has definitely decided not to make a military alliance with Germany and Italy and the latter two countries have been so informed.

The story is that pressure has been continuous upon Japan to do so for over a year, that Ambassador Oshima in Berlin was cautioned not to commit Japan nor to be too encouraging, that Mr. Ito, former Minister to Poland, who, with two others, had been sent to Berlin to reiterate these instructions had recently returned finding that he had arrived too late to accomplish his mission, that the meetings of the Inner Cabinet last week, about which there has been so much conjecture, had decided not to agree to a military alliance, that the elements who were in favor of such an alliance were headed by the Army which was very insistent upon such being formed but that the Navy, when they learned that this included naval operations as far west as the Mediterranean, refused absolutely to consider such a proposition as it was directly contrary to their conception of naval strategy necessary for the defense of the Empire and also was an operation for which their building programs did not provide.

COMMENT:

The statement Admiral Yonai made to the American Ambassador the night of April 19th (reported to the State Department by telegram) and other related statements and occurrences tend to confirm the above report. Furthermore, the oft repeated statements of the Navy Department as regards the objective of their building programs, i.e., to enable the Japanese Navy to oppose the naval force any one single major power can bring against them in the Western Pacific, also add belief to the above-mentioned refusal of the Navy to agree to a military alliance. The Foreign Minister stated recently that Japan would continue to adhere to the anti-Comintern Pact and would endeavor to strengthen it in order to successfully combat further communistic encroachments but that such pact was directed neither at democracies nor totalitarian states.

Nevertheless, I believe, even in view of the above, that there is an agreement between Japan, Italy and Germany just short of a military alliance which directs their political moves, which of course they must be prepared to support by force.

This afternoon in reply to a direct question from a member of this office, the German Military Attache and his assistant stated that no alliance had yet been signed due to the fact that certain elements in Japan hesitated to become involved.

The Soviet Naval Attache gave it as his opinion that a military alliance had been made.

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

FE

ATTACHE'S REPORT

Forward seven copies (original and six copies); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions at attachment, according to subject matter.

From NA/Tokyo Date May 28th, 1950 Serial No. 100 File No. \_\_\_\_\_

Source of information \_\_\_\_\_  
(Common news series each January first) (Select proper number from O. N. I. Index)

Subject Japan \_\_\_\_\_  
(Index title as per Index above) (Subtitle)

Reference \_\_\_\_\_

Note:—(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 Reaction to the Early Return of the United States Fleet to the Pacific

DECLASSIFIED

E.O. 11652, Sec. 5(E) and 8(CD) or (D)

OSD letter, May 5, 1971

By RT, NARS Date MAY 21 1973

[Redacted]

45

Report No. 109  
Japan  
May 23, 1939

Japanese Reaction to the Early Return of the United States  
Fleet to the Pacific

The sudden announcement of the Secretary of the Navy on 15 April that the United States Fleet with the exception of the Atlantic Squadron and a few cruisers, submarines and an aircraft carrier would return to "normal" operating areas in the Pacific was received in Japan with mixed feelings. Although there was no statement made as to the reason for the advancing by more than a month of the return of the Fleet to the West Coast, there could be no mistake in the real intention of the United States Government to be prepared to meet any possible move by Japan in the event of the outbreak of a war in Europe. The great significance of the decision to hasten the return of the Fleet was not lost on the Japanese authorities - military, as well as naval - and it is probable that the effects of the decision have been and will continue to be far-reaching. The knowledge that our Fleet is concentrated in the Pacific and that in the opinion of our Government it is needed there is certain to have a restraining influence on Japan.

Fortunately for the relations between the two countries, and especially for the feeling of the Japanese people toward the United States, the announcement as well as the actual sailing of the Fleet came at a most opportune time. Two days after Secretary Swanson's statement that the Fleet would sail when fueled, the U.S.S. ASTORIA arrived in Yokohama with the ashes of ex-Ambassador Saito. The Japanese authorities and people were, at that time, busy with preparations for the ASTORIA's visit and the state funeral of Mr. Saito. The newspapers were full of articles praising the action of the United States Government and Navy, and urging better and more friendly relations between Japan and the United States. It would have been difficult under these circumstances to have given much publicity to the sudden and unexpected orders for the Fleet to sail, although there could be no doubt as to the reason behind these orders. As a result, there was little publicity in Japan, and almost no newspaper comment. In one or two papers, notably the Tokyo HOCHI, the opinion was expressed that "America is vastly mistaken if she thinks that she can restrain in any way the action which Japan may take. However, newspaper and individual comment were in general restrained and moderate in tone.

As has been pointed out, the intentions of the United States Government to be fully prepared for possible Japanese action in the event of a European war have had a profound effect in Japan, and it is not improbable that the opposition of the Japanese Navy to joining the German-Italian military alliance was based in part on the realization that the United States Government placed such importance on the presence of the Fleet in the Pacific Ocean.

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

ATTACHE'S REPORT

11399-0  
C-102

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from available. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date May 24th, 1939 Serial No. 112 File No. 100-105  
(Commence new series with January 1939) (Index proper number from O. N. I. Index)

Source of information .....

Subject Japan Political - Spheres of Influence  
(Index title as per index sheet) (Subtitle)

Reference .....

NOTE.—(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.)

Japan's South Seas Development Policy



DECLASSIFIED  
 E.O. 1.652, Sec. 3(E) and 5(D) or (E)  
 OSD letter, May 3, 1972  
 By RT, NARS Date MAY 21 1973

46

Yench. Div.	C. in C. U. S.	Com. Int. Pers.	Com. Int. Pers.	C. in C. Asia	Com. S. E. A.	Com. Afr.	Attended at	Operations	Com. Div.	W. P.	Com. P. T.	State	Com. Pers.	Return to Room No.
-------------	----------------	-----------------	-----------------	---------------	---------------	-----------	-------------	------------	-----------	-------	------------	-------	------------	--------------------

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform in size with this form where practical. Submit extra copies of drawings, surfaces of sketches, etc., where practical. If practicable, submit sketches in suitable style for lithographing or photostating.

Japan's South Seas Development Policy

The "Southward Advance Policy" and the "South Seas Development Policy" of the Japanese Government, and more especially the Japanese Navy, have been made the subject of several reports by the Naval Attache. These policies, like the Japanese Army's "Continental Policy" and the "New Order in East Asia" policy, are very difficult to analyze and define. It is probable that the Japanese themselves do not have a very clear idea of what they mean when they speak of these or other policies of the Government. There can be no doubt, however, that any policy which the Japanese may have now or may formulate in the future will be an expansionist policy. This is particularly true of the "South Seas Development Policy" in connection with which Admiral Seizo Kobayashi, Governor General of Formosa, recently made some interesting observations. The most important of these are as follows:

A. Administration:

It may be that the administration of the Mandate Islands and of Formosa may be unified in the future. For the present, however, the Formosan Government should concern itself with the development of Formosa, South China and the "Western" Islands. The South Sea Island Administration should concern itself with the Mandate Islands and the Eastern Pacific groups. The Formosan Government cannot be expected to give an efficient administration to islands which are 3000 miles away.

B. Development of Formosa:

Formosa is fundamentally an agricultural country but the island has almost reached the limit of agricultural expansion and development. It is necessary that the island be industrialized. If this is done Formosan trade with the South Sea Islands and with South China can be increased very greatly.

In this connection the Taiwan Electric Power Company is expanding in order to supply electric power for manufacturing purposes. In western Formosa the company's plants will generate 1,700,000 kilowatts, and in Eastern Formosa will generate 800,000 kilowatts. Plans to build iron smelters, aluminum plants, paper mills, and rayon plants have been made and are expected to materialize in the near future.

C. Immigration Policy:

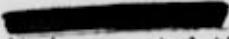
Formosa needs large numbers of Japanese, not as farmers but as industrialists, technicians and skilled workers. A large scale immigration policy of these persons should be placed into effect. In addition, natives of Formosa must be trained and large numbers of low skilled laborers must be imported from Kwangtung and Fukien provinces.

D. Morale of Natives:

The people of Formosa must be trained to endure hardships and difficulties since they inhabit the extreme southern end of Japan. They must be prepared to face without flinching a possible foreign invasion. More than 9,500 Formosans have served on the continent as laborers with our Army and some 7000 are still at the front. Those that have returned are making a very good impression.

E. Future Plans:

Plans to assist in the development of Amoy, Canton, Hainan and South China are being made. A South China Inquiry

  
Bureau has been established and it is expected that this Bureau will function efficiently when peace and order are restored. The "Southward Advance" of the fishing industry using Formosa as a base and the southern islands, including Spratley Island, as a foothold, is a promising one.

It is interesting to note that the Japanese recognize that the "Southward Advance Policy" particularly as manifested by the occupation of Hainan Island and the Spratley Island group has caused considerable concern in the United States, Great Britain and France. In the usual Japanese fashion they now desire to "explain" the occupations and if possible to allay the suspicions which have been aroused by their actions. It is understood that the Japanese Foreign Office has indicated that Japan is ready to enter into discussions in regard to their intentions in the China Sea area, and to give certain assurances to the United States in regard to these intentions. The exact nature of these assurances is not known to the Naval Attache and no estimate of their probable value can be made at this time.

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

ATTACHE'S REPORT <sup>11399-0</sup>  
C-10-2

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity of disseminating information from this report. These copies will be distributed by O. N. I. as per footnotes or otherwise, according to subject matter.

From NA/Tokyo Date May 24th, 1939 Serial No. 116 File No. 103-100  
(Common use series with January list) (Select proper number from O. N. I. Index)

Source of information \_\_\_\_\_

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

Reference \_\_\_\_\_

**NOTE.**—(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.)

Japan and the German-Italian Military Alliance



DECLASSIFIED  
E.O. 11652, Sec. 3(E) and 5(D) or (E)  
OSD letter, May 3, 1972  
By RT, NAMS Date MAY 21 1973

47

Task Div.	C. in C. U. S.	Com. Div. Pac.	Com. Div. Pac.	C. in C. Asia	Com. Div. S. E. A.	Com. Div. S. E. A.	Attended at	Operations	State	Com. Div.	Return to Bureau File
								Com. Div.	W. P.	Com. Div. Tr.	

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform to size with this form where practical. Submit extra copies of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 116  
Japan  
May 24, 1939

100 - Political  
103 - International Relation  
100 - Agreements

Japan and the German-Italian Military Alliance

References: (a) NA/Tokyo Report No. 38-39  
(b) NA/Tokyo Report No. 77-39  
(c) NA/Tokyo Report No. 94-39

The final decision of the Japanese Government made on 20 May 1939, as was reported in reference (c) not to join with Germany and Italy in a formal military alliance. This decision which was reached after long deliberation was communicated to the Japanese people in a statement by the Premier, Baron Hiranuma. The statement is as follows:

"As a friend of both Germany and Italy and from the standpoint of assuring world peace we are glad to receive the news of the conclusion of the alliance between these two great European powers. It is our hope for the sake of world peace to maintain closer ties than ever with Germany and Italy and to consolidate them."

Japan will of course continue to adhere to the anti-Comintern Pact and may in view of the expressed intention to maintain "closer ties" with Germany and Italy endeavor to strengthen this pact. Also, Japan will continue to prevent Great Britain and France from concentrating their energies in Europe by threatening their interests in the Far East, and Germany and Italy will continue to press Great Britain and France in Europe. It appears that the cooperation of Japan, Germany and Italy will be of the same opportunistic nature in the future that it has been in the past. However, this is definitely not a military alliance.

The best information available leads to the conclusion that the Navy, supported by the Privy Council and the Imperial Household Department, opposed the Army plan to join the Alliance - the Navy because of strategic reasons and the civilian advisers of the Emperor because of a reluctance to align Japan definitely with Germany and Italy as opposed to Great Britain, France, Soviet Russia and possibly the United States. Another great factor in the final decision was that the "China Incident" is far from settled and all of Japan's energies must for some time to come be concentrated in China. Germany and Italy are in no position to assist Japan in bringing the incident to a successful conclusion.

At the present time one of Japan's greatest worries is that Great Britain and Soviet Russia may form an alliance leading to the cooperation of these two countries in the Far East. In this event Japan will be faced with a most difficult situation - one which might even cause her to reconsider her decision not to ally herself with Germany and Italy. However, until this happens she will avoid taking a definite stand against the "democracies".

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

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date June 26, 1939 Serial No. 142 File No. 701-480  
(Commence new series each January first) (Select proper number from O. N. I. Index)

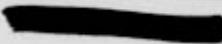
Source of information Official Gazette

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

Reference

Note:—(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.)

Ordinance Concerning Entry of Aliens



JUL 24 1939



OFFICE OF NAVAL INTELLIGENCE RECEIVED

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972

By RT, NAFS Date MAY 21 1973

48

13-12, 13-14, 13-16, 13-17, 13-18																		
Task Div.	C. in C. U. S.	Com. Inf. Div.	Com. Inf. Div.	C. in C. Asia	Com. S. E. A.	Com. Inf.	Attended at	Operations			Spec.	Com. Div.	W. P.	Com. M. T.	Spec.	Com. Div.	Spec. Div.	Spec. Div.

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform in size with this form where practical. Submit extra copies of sketches, carbon or sketches, etc., where practical. If practicable, submit sketches in suitable style for microfilming or photostating.

Report No. 142  
Japan  
June 26, 1939

Ordinance Concerning Entry of Aliens

From "Official Gazette" of 1 March 1939:

THE HOME MINISTRY ORDINANCE NO. 6, Effective 1 May 1939.  
The Regulations Relative to the Entry, Stay and Departure of Aliens.

Article 1. Within the meaning of this ordinance, the entry into this country of aliens means the cases where they stay in this country for more than fifteen days; and transits mean the cases where they stay for less than fifteen days.

Article 2. If the aliens visiting this country come within any of the following Numbers, their entrance into or transit through this country shall be prohibited by the Prefectural Governor (or in the case of the Prefecture of Tokyo, by the Commissioner of the Metropolitan Police, the same applying in like cases hereafter):

- (1) Those who do not possess a passport, a certificate of nationality or a substitute certificate;
- (2) Those who commit acts prejudicial to the interests of this country or who are thought likely to serve in the interest of an enemy country;
- (3) Those who disturb law and public order or who are thought likely to corrupt good morals;
- (4) Those who are affected with infectious or contagious diseases or who are infected by ailments dangerous to public health;
- (5) Those who are mentally unsound or feeble-minded, or who are indigent or are otherwise thought likely to require relief;
- (6) Those who violate the provisions of Article 5, paragraph 2.

The passport, the certificate of nationality or the substitute certificate, specified in No.1 of the preceding paragraph, shall be accompanied with a photograph of the alien concerned, and issued by the competent authorities of his country or by the authorities of a country specified by international usage; and visaed not less than one year prior to his landing in this country by any of the Japanese Ambassadors, Ministers, or Consuls abroad; or a passage certificate issued by only those mentioned above.

The said visa shall be either an entry visa or a transit visa; the transit visa being valid only for one transit through the country.

Article 3. If an alien visiting this country by airplane comes within any of the Numbers mentioned in the first paragraph of the preceding Article, the Prefectural Governor shall cause the same airplane to land and the said alien to take a first steamship or an airplane to leave this country.

Article 4. With respect to nationals of the country not requiring from the subjects of this Empire the presentation of passports, certificates of nationality or substitute certificates upon their entry into their country, the provisions of Article 2, paragraph 1, No.1 may not be applied; and with respect to nationals of the country

not requiring the visa by the competent authorities of their countries on the passports, certificates of nationality or substitute certificates of the subjects of this Empire, the provisions relative to the visa of the second paragraph of the said Article may not be applied.

Article 5.

Aliens visiting this country are forbidden to enter or pass through this country unless and until they have passed the inspection of police officers at each port of call (including airports).

At the inspection as provided for in the preceding paragraph the aliens are required to enter necessary matters in an application paper in accordance with Form No.1 given elsewhere and sign their names therein; and to present their passports or other certificates upon the demand of the police authorities and make truthful statements to their inquiries relative to necessary matters.

Article 6.

With respect to aliens not possessing a valid passport, a certificate of nationality, or a substitute certificate, the Prefectural Governor may, upon finding sufficient reasons for non-possession of such papers, grant them a special permission for their entry into or passage through the country.

If aliens coming within the provisions of Article 2, paragraph 1, No.5, are guaranteed by trustworthy guardians or by sureties and considered not objectionable, the Prefectural Governor may grant them the special permission to enter or pass through the country.

Aliens desiring to obtain the special permission to enter or pass through the country, shall apply in accordance to Form No.2 given elsewhere to the Prefectural Governor of the place where they intend to come ashore.

In cases where the Prefectural Governor is to grant to aliens the special permission mentioned in paragraph 1 or paragraph 2 hereof, he shall issue either a special entry permit or a special transit permit according to Form No.3 given elsewhere; but if such aliens possess a passport or any other certificate, he shall affix thereon the seal of special entry or transit permit according to Form 4 given elsewhere.

If aliens passing through this country desire to enter the country, the Prefectural Governor may, by application with the necessary modifications of the provisions of paragraph 1 or paragraph 2 hereof, specially permit them to make entry into the country.

Article 7.

Aliens passing through this country are prohibited from remaining for more than fifteen days.

If aliens entering this country desire to remain in the country for more than thirty days, they shall, within ten days from the day of landing, apply, according to Form No.6 given elsewhere, to the Prefectural Governor of the place of landing or of the district wherein they are staying, for the permission to remain in the country.

If aliens desire to remain in the country after the maturity of the term for their stay, they shall apply, in accordance with Form No.6 given elsewhere, to the Prefectural Governor of the place wherein they reside or of the district wherein they stay for the extension of the term, not less than 10 days prior to the maturity thereof.

The period to be permitted for the stay in the country or for the extension of the term for stay shall be not longer than one year.

Article 8.

Persons furnishing aliens with lodging as a business shall within twelve hours from the time of their lodgment notify the chief of the police concerned of the following matters:

1. Name;
2. Nationality;
3. Residence;
4. Age;
5. Occupation;
6. Landing place in this country;
7. Stopping-place of the previous night;
8. Destination;
9. The date and time of lodgment.

The notification under the preceding paragraph may be made to the branch police station concerned or to the police sub-station, or the police officer on circuit.

The aliens who have been given lodgment shall, at the request of the business proprietor, the manager, or the person acting in his place, state the matters specified in the first paragraph hereof or enter the same in a blank form.

Article 9.

Aliens staying in this country for more than sixty days shall, within fifty days from the date of landing, give notice of their residence to the chief of the police concerned according to Form No.7 given hereunder; but this may not apply in the case of aliens under fifteen years of age.

When any change takes place relative to the matters of residence already notified, the aliens shall, within ten days from the date of such change, notify the chief of the police concerned.

If the aliens mentioned in paragraph 1 hereof have removed their residence, they shall, within ten days from the date of such removal, notify the chief of the police of the district to which the removal has been made.

Article 10.

The chief of the police shall provide an alien residents' registration book and enter therein the matters notified as provided in the preceding Article.

Persons desiring to inspect the alien residents registration book are required to pay a fee of 20 sen.

Article 11.

Aliens who have given notice of their residence may apply for the certificate of residence by presenting to the chief of the police concerned a photograph taken of themselves within the past six months (frontal look, hatless, half-length, six 4.5 x 6 cm., not mounted on pasteboard).

Those applying for the certificate of residence mentioned in the preceding paragraph are required to pay a fee of 50 sen per sheet.

Article 12.

If aliens, who have given notice as provided in Article 9 but are unable to obtain the passport, the certificate of nationality or the substitute certificate, desire to make journey to either Manchoukuo or China, they shall apply to the police chief of their residential district for the certificate of journey according to Form No.6 mentioned elsewhere.

The certificate of journey shall be effective for six months from the date of issue.

Persons desiring to obtain the certificate of journey are required to pay a fee of 20 yen per certificate.

In the cases of aliens who possess the certificates of journey visaed by any of the Japanese Ambassador, Minister, or Consul, resident in either Manchoukuo or China, and have returned to this country within the period of time for validity mentioned in the above paragraph, the provisions of Article 2, paragraph 1, No.1, shall not be applicable.

Article 13.

With respect to the alien seamen who has, during the anchorage of his ship in a port of this country, made a temporary landing in the city, town or village, to which the said port belongs, and returns to his ship, the provisions of Article 2, paragraph 1, No.1 shall not be applicable.

Article 14.

In case aliens are asked questions by police officers relative to the matters provided under any of the Numbers of Article 8, paragraph 1, or to the matters notified as provided for in Article 9, or to any other necessary matters, they shall make a truthful statement.

Aliens possessing a passport, a certificate of nationality, a seaman's note-book, or a substitute certificate, shall show it when demanded by the police officers.

Article 15.

Aliens who have obtained the special permission to enter the country shall pay a fee of 20 yen, and those who have obtained the special permission for transit, a fee of 10 yen.

Those who have obtained the permission to stay in this country or for the extension of the term for staying, shall pay a fee of 10 yen; this, however, shall not apply to the nationals of those countries which impose no charge of this sort on Japanese subjects.

The fees specified in the preceding two paragraphs shall be exempted with regard to the aliens under fifteen years of age or those who have obtained the special permission to enter or pass through the country by reason of natural disaster or some other unavoidable causes.

Article 16.

The fees specified in Articles 10 to 12, inclusive, and in the preceding Article shall be paid in revenue-stamps.

Article 17.

In case aliens who have stayed in this country for more than sixty days desire to leave the country, they shall beforehand notify thereof to the chief of police in charge of their places of residence.

The Prefectural Governor may prohibit the entry into or passage through this country of those aliens who have contravened the provisions of the preceding paragraph.

Article 18.

The Prefectural Governor may order the departure from this country of those aliens who come within any of the following Numbers:

- (1) Those who come within any of the Numbers provided under Article 2, paragraph 1;
- (2) Those who have used a passport, a certificate of nationality, a certificate of journey, or any other substitute certificate bearing the name of another person;

- (3) Those who have obtained under false pretense a visa on their passports, certificates of nationality, certificates of journey or any other substitute certificates;
- (4) Those who have contravened the provisions of Article 5, paragraph 1;
- (5) Those who stay in this country without obtaining the permission as provided for in Article 7, paragraph 2 or paragraph 3.

Article 19. Aliens who have violated the provisions of Article 5, paragraph 2, Article 7, paragraphs 1 to 3, inclusive, Article 8, 9 or 14 shall be liable to a fine not exceeding 50 yen, detention or a fine.

Article 20. Aliens coming within any of the following Numbers shall be punished with penal servitude or imprisonment not exceeding three months or with a fine of not more than 100 yen:

- (1) Those who have contravened the order of the Prefectural Governor to leave the country;
- (2) Those who come within any of the provisions of Article 18, Nos. 2 to 4, inclusive.

Supplementary Provisions:

This Ordinance shall be put into force from 1 May 1939.

With reference to the aliens residing in this country at the time of enforcement of this Ordinance, the periods of time allowed for application or notification as required under Articles 7 and 9, shall be computed from the date of enforcement of this Ordinance.

The Home Ministry Ordinance No.1 dated January 1918, relative to the entry of aliens into this country is hereby repealed.

49

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

ATTACHE'S REPORT

7206-P  
0-12-C

Forward seven copies original and six carbon; this number to summary bureau of the United States in O. N. I. and bureau of the agency for custody disseminating information from all copies. These copies will be distributed by O. N. I. as per footnote or otherwise, according to subject matter.

From NA/Tokyo Date July 5th, 1939 Serial No. 149 File No. 103-300  
(Commissions new copies each January first) (Index proper number from O. N. I. Index)

Source of information .....

Subject Japan Political - International Relations -  
(Nation reported on) (Index title as per Index sheet) England (Subject)

Reference .....

Notes:—(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.)

Anglo-Japanese Relations

JUL 24 1939



NAVAL INTELLIGENCE  
RECEIVED

DECLASSIFIED

E.O. 11652, Sec. 31E and 31D) or (S)

OSD letter, May 3, 1972

MAY 21 1973

By RT, NASS Date

*(Handwritten initials)*

Dist. Div.	1-1, 1-2, 1-3, 1-4, 1-5, 1-6, 1-11, 1-12, 1-13, 1-14, 1-15, 1-16	Head. Div.	Head. Div.	Budget	E. R. O.	Gen. Board	War College	N. I. S.	N. P.	Col.	T. S. R.	C. S. R.	Eng.	S. S. A.	M. S. R.	Avn.	U. S. M. C.	N. O.
Yank. Div.	C. in C. U. S.	Com. Sub. For.	Com. Sub. For.	C. in C. Asia	Com. A. S. A.	Com. Air	Attended at	Operations			Com. En.	W. P.	Com. M. T.	Com. Mater.	Returns to Exam. Rm.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, margins of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 149  
Japan  
July 5, 1939

100 - Political  
103 - International Relations  
300 - England

Anglo-Japanese Relations

Relations between Great Britain and Japan which have been near the breaking point for some time, have taken another turn for the worse, and the present situation as regards the relations between the two countries appears to be particularly grave. It is probable that the results of the negotiations which will be opened in Tokyo in the very near future between British and Japanese representatives will have far reaching effects, not only as concerns Great Britain and Japan, but as concerns all other countries having rights and interests in the Orient.

The immediate cause of the present dispute is the refusal of the British authorities in Tientsin to hand over to the Japanese, four Chinese who were arrested on suspicion of being connected with assassination of the Tientsin Superintendent of Customs, a Japanese appointee. The refusal was made on the grounds that there was insufficient evidence that the men in question were guilty. Using this refusal of the British to "cooperate" as a pretext, the Japanese Army authorities in Tientsin declared a "blockade" of the British and French concessions, and have, since 14 June instituted a strict search of all merchandise and all persons entering or leaving the concessions. The search of British subjects has been conducted in as harsh and indecent a manner as could be devised.

Although the ostensible reason for the present Tientsin trouble was the refusal to hand over four alleged terrorists, it is easy to see that this is merely an excuse and that if this incident had not occurred another would have been used or even manufactured by the Japanese to take action against the British in Tientsin and elsewhere in China. The real reason, of course, is that the Japanese campaign in China has reached a stalemate and is probably as far from a successful conclusion as it was in July 1937. Chinese resistance is far from broken and the Chinese puppet regimes are most unsatisfactory and unsuccessful, but the Japanese have so far failed to devise means to change either of those conditions in the way Japan would like to have them changed. In the meantime, the Japanese Army has to make some move which will show that the "New Order in East Asia" is being realized, and must show some results for all of the efforts of the past two years. Action taken against the Foreign powers in China, particularly the British, distracts the Japanese people from the difficult situation on the continent, and at the same time gives some promise of quick returns if the powers given in to Japanese demands. In addition, the Japanese know that any action they take to damage foreign rights and prestige in China will have a marked reaction on the Chinese people and will show them that they can hope for no assistance from foreign countries. This, thus, is a means to breaking down Chinese resistance, both military and economic.

The negotiations which will open in Tokyo, therefore, will presumably deal not only with the local Tientsin situation but with larger problems between the two countries, such as the abandonment by Great Britain of her policy of supporting the Chinese National Government. It is difficult to foresee the outcome of the negotiations at this stage of the proceedings. The Japanese have not indicated in concrete terms exactly what it is that they desire, but from the various statements made by the military authorities, both in Tientsin and in Tokyo, it appears that Japan wants:

1. Great Britain to break off relations with the Chungking Government, or at least to refrain from lending money or selling arms to that government;

2. To "cooperate" with the newly formed Chinese governments and the Japanese authorities in China; - this means de facto recognition of the Peiping and Nanking regimes;

3. To stop supporting the old National Chinese currency and to accept the new Federal Reserve currency;

4. To turn over to Japan, the silver now stored in the Chinese Government Banks in Tientsin;

5. To allow the Japanese military police powers in the British concession in Tientsin and by inference other foreign controlled areas.

In this connection the statement of General Sugiyama, who is in command of the Japanese Army in North China is of interest. General Sugiyama has stated that:

"The Army is now most interested in the concession issue. The issue rose because the British concession had been offering political and economic hindrances to the construction of a new order in East Asia. Until such hindrances are removed, their sources uprooted, the blockade will be continued. In order to enlist the sympathy of third Powers, the British authorities are spreading such rumors as that the Japanese are enforcing economic isolation of the concession or that they are cutting off the food supply, but it is far from the intention of the Japanese to resort to such inhuman methods as economic blockade or cutting off of the food supply.

"The sole purpose of the blockade is to eliminate the activities of such elements as are hindering the construction of a new order in East Asia by political, economic or financial agitation."

Actually, the Japanese Army is not optimistic that the negotiations in Tokyo will be successful but it is willing to go ahead on the ground that further "direct action" against the British in China can be taken if the negotiations fail.

In looking back on the events of the past two years in China, it is clear that the only way the British or any other power having interests in China can preserve their position is by being prepared to use force or retaliatory measures against the Japanese. British patience - or weakness- has convinced the Japanese Army that Japan can cut down foreign interests with impunity and without fear of retaliation. The present situation is another case in point. If the British are prepared to use retaliatory measures and can convince the Japanese Army representatives of that fact, the Tientsin concession issue and the larger issues between the two countries will not cause a break in relations between the two countries. If the British are not prepared to take positive action or if they cannot convince the Japanese that they are, the negotiations in Tokyo will probably be the beginning of the end of British concessions, trade and other economic interests in Japanese occupied China.

The importance of this whole problem to the United States and to American interests in China is obvious. These interests are bound so closely with those of other foreign powers - including the British - that any action by the Japanese against the concessions, or any impairment of British interests, cannot but have a most adverse effect on our trading rights and general interests in China.



Report No. 163-  
Japan  
July 19, 1939

100 - Political  
103 - International  
relations  
Soviet  
113

Russo-Japanese Relations

Relations between Soviet Russia and Japan continue to show no signs of improvement. For more than two months there has been serious but localized fighting in the Lake Buir region on the western borders of Manchoukuo and Russian and Japanese economic interests in Northern Karafuto continue to clash. While neither Japan nor Soviet Russia appear to be disposed to allow these to develop into an open break between the two countries--since the border fighting is supposed to be between "Outer Mongolia" and "Manchoukuo" forces and the difficulties in Karafuto are being made the subject of diplomatic negotiations - both countries are taking a "serious" view of these latest developments. Especially serious, according to the Japanese, are the bombings of Fularki and Halunarshan on 16 July by Outer Mongolian planes.

It is very difficult to make any exact estimate of the forces involved or of the progress of the fighting in the vicinity of Lake Buir due to the fact that there are no competent foreign observers in the area. The Russian version of the engagements has not been made public and the Japanese accounts of the fighting are obviously highly exaggerated. It is apparent, nevertheless, that the actions are more than border skirmishes. According to Japanese reports the Outer Mongolian forces consist of 30,000 Mongolians; the Russian troops including one mechanized division, one mechanized brigade and three brigades of armored cars; the Mongolian troops being nearly all cavalry. These ground forces which according to the Japanese took the offensive and crossed the Manchoukuo border to the south and east of Lake Buir, have been assisted by large numbers of Soviet planes. On July 11, the Kwantung Army announced that the Outer Mongolian forces had after severe fighting been driven across the border with a loss of 350 tanks and armored cars, five heavy guns, nine anti-tank guns and many machine guns and rifles. In the numerous air battles which have taken place since 20 May the Japanese claim to have shot down or destroyed approximately 570 Soviet-Mongolian planes. Since 11 July the opposing forces have had minor engagements in the Halha-Holstein river area but there appears to have been no large scale fighting - the only important development being the bombing by Mongolian planes of Fularki on the morning of 16 July and the bombing of Halunarshan the same evening.

While the Japanese versions of this border fighting including the fantastic claims of having shot down some 570 Soviet plane with a loss of only 4 or 5 Japanese, makes it appear as though the Soviet-Mongolian forces were the aggressors, the Naval Attache is of the opinion that the Japanese Army rather than the Russians have in reality taken the offensive and brought on this latest border clash. It has been very cleverly managed, however, and all Japanese accounts make it appear that the fighting took place in territory claimed by Manchoukuo and that most of the air engagements took place over Manchoukuo territory. This may be true but until verified reports to the contrary become available, it is believed that the Japanese provoked the fighting and staged the whole affair. There are a number of excellent reasons for this belief.

Firstly, the Japanese Army has been comparatively unsuccessful in recent months in China, or at least has gained no outstanding successes. Little progress is reported from any sector, and in at least one area, that is to the northwest of Hankow, the Japanese Army has suffered reverses. Reports from China indicate that certain Japanese troops have become disaffected and have lost the "spirit of the offensive". In these circumstances the Japanese Army must turn elsewhere for "victories" and Outer Mongolia affords a most convenient place. The numerous successes in western Manchoukuo are excellent

for home consumption.

Secondly, the Chinese in Manchoukuo and in the occupied areas of China proper are alert for any signs of weakening in Japan's campaigns on the continent and any signs of outside assistance to the Chinese Government. Chinese still hope that Japan will become involved with one of the great powers - especially Russia or Great Britain. It is necessary, therefore, that these Chinese be shown from time to time that they can expect no great help from Soviet Russia, and that even if the Soviets were to declare war they could not, because of their military weakness, be of much help to China. Japanese press versions of the fighting should convince the Chinese of these facts.

Thirdly, the Japanese do not like the prospect of an Anglo-Soviet Alliance, even though the Far East is not included in the agreement. For the purpose of showing the British that any agreement with Soviet Russia might involve them with Japan in Asia, some increased friction between Russia and Japan is necessary. At the same time, the Japanese can through their reports expose the great weakness of the Soviet Army and Air Forces. The British presumably will not ally themselves with such a weak nation as Russia.

Fourthly, the Japanese Army has not yet given up hope of being able to force a military alliance with Italy and Germany or at least extending and enforcing the anti-comintern pact into something more tangible than an expression opposing communism. The War Minister has, according to reports, been insisting that Japan's policy in regard to European affairs be determined in a "concrete" manner, and that in view of a probable European crisis in the near future Japan's course of action be determined along "positive" lines. To show the necessity for this, and to force through the Army's plan for an alliance a border clash with Russia which threatens to spread to open warfare must be arranged.

It is easy to understand, therefore, that the Japanese Army does not believe that the Soviet forces plan a general attack along the whole border, and feels that the fighting will be localized in the Buir Lake region. It is clear that the Japanese Army is again making capital of Soviet Russia's policy of remaining on the defensive in the Far East in order to keep the Japanese people satisfied with the accomplishments on the continent, the Chinese in Manchoukuo and the occupied areas quiet, and to bring about an agreement which they consider necessary if Japan is to succeed in her policies in Asia. It is probable therefore that the Japanese Army's estimate of the situation is correct and that nothing further will come of the present "incident". There will be a few more "retaliatory" bombings by both sides and then the border will become quiet - until the Japanese need another "overwhelming victory".

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

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or otherwise, according to subject matter.

From NA/Tokyo Date Aug 24, 1939 Serial No. 184 File No. 105-300  
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Various

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

Reference

Note.—(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.)

General Intelligence Summary - Part I.  
FOREIGN RELATIONS.



51

Tech. Div.	C. in C. U. S.	Com. Sec. For.	Com. Sec. For.	C. in C. Asia	Com. S. E. A.	Com. Air	Attended at	Operations			Spec.	Comm.	Return to Exam. No.
								Com. Div.	W. P.	Com. M. T.			

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., conform to size with this form where practical. Submit extra copies of sketches, carbons of sketches, etc., where practical. If practical, submit sketches in suitable styles for microphotating or photostating.

Report No. 184.  
Japan.  
August 24 1939.

100 - Political.  
103 - International relations.  
300 -

General Intelligence Summary - Part I.

FOREIGN RELATIONS.

Recent events in Tokyo, in Washington and in Europe have compelled Japan to consider making a number of drastic changes in her foreign policies. In Tokyo, the Anglo-Japanese conversations which might have lead to a recognition on the part of Great Britain that there actually was a "new order in East Asia" have broken down. From Washington comes the announcement that the American-Japanese Treaty of Commerce and Navigation will terminate in January 1940. And finally from Berlin and Moscow come the startling information that Germany and Soviet Russia are about to conclude a non-aggression pact. In the face of these developments, all of which have an important bearing on the Far Eastern situation, the Japanese are moving slowly and cautiously - keeping in mind the fact that Japan's most pressing problems are concerned with the liquidation of the China incident, which is taxing her energies and resources to the limit. Thus, the Japanese Government has reached no definite decisions in regard to these new and largely unforeseen developments, since their ultimate effects on Japan and the Far East are still a matter of conjecture, but the Cabinet as well as the War, Navy and Foreign Offices are giving serious thought to all phases of the new situation.

Relations with the United States.

During the past two years the Japanese Government has been fairly consistent in its efforts to keep the good will of the United States, at least to avoid antagonizing the United States to such an extent that an open break might result. There are a number of excellent reasons why it has been imperative that Japan follow such a policy. Among these are: Firstly, all of Japan's military strength was needed in the China campaign; secondly, Japan could not overlook the possibility of having to fight Soviet Russia or Great Britain before the China incident was brought to a successful conclusion, and in either case it would be imperative that the United States remain neutral; thirdly, direct or positive American financial and economic assistance to China must be prevented if possible; fourthly, American supplies of war materials and essential raw materials must be kept available for Japan's use. In spite of the fact that America's neutrality and good-will is very important and in spite of a clear understanding of American policies and desires in the Far East as announced from time to time by our authorities in Washington, the Japanese Government in Tokyo has been unwilling or unable to compel the military commanders in China to act in such a way that American rights and interests in China would be respected. The Japanese Government has watched with a certain amount of anxiety the increasingly hostile feeling that has developed in the United States towards Japan, but the general opinion in both official and unofficial circles has been that the United States would confine itself to note writing. It should be noted in this connection that the Japanese Government has deliberately given the Japanese people to understand that the United States was maintaining a "realistic" attitude in regard to the situation in the Far East, and that news of bombings of American properties, mistreatment of American citizens by Japanese soldiers, restrictions on American trading rights etc. has been carefully censored in Japan. For this reason the announcement from Washington late last month that the American government intended to abrogate the American-Japanese Treaty of Commerce and Navigation as of January 1940 came as a great surprise.

Although it must be perfectly clear to the Japanese Government that the reasons for this move on the part of the United States were firstly to put herself in a position to retaliate against further infringements on American rights and interests in China and secondly to indicate to Japan, China and Great Britain and the rest of the world that the United States was opposed to Japan's attempts to conquer China and substitute the "new order in East Asia" for the ready system set up in Washington in 1922, the official Japanese reaction has been one of bewilderment. The Japanese Foreign Office, which is now engaged in studying the problem has announced that it finds it "difficult to grasp the true motive" underlying the action of our government, and that there is as yet no "full explanation as to why the American government should have found it necessary to give notice of the abrogation in such a hasty and abrupt manner". The same uncertainty exists in economic and financial circles.

In general the Japanese press has adopted an optimistic tone in regard to future political and commercial relations between Japan and the United States, and all official pronouncements have counselled caution and moderation until America's "real intentions" can be learned and until the government which is now studying the matter can decide what steps are necessary to adjust the situation. The natural reaction in government and business circles has been to minimize the probable effects of America's action by trying to assure the Japanese people that Japan's war time economy will not suffer and that Japan will not yield to "discriminatory tactics". There have been, of course, some expressions of annoyance and resentment on the part of the more nationalistic newspapers and groups. America's sudden action has been characterized as "insolent, impolite and unfriendly" toward Japan, which has always considered America to be the "best of her friends". In general, however, the Japanese have decided to avoid recriminations and to adopt a "wait and see" policy. The suggestion has been made, probably with some official backing that Japan may be forced to take a "strong attitude" toward America, and even be forced to consider that since America has implemented the neutrality law in a modified form, she recognized that a state of war exists in China and that Japan can therefore apply "belligerent rights" against American interests in China. American rights and interests, according to this opinion are bound to be affected seriously. It is most improbable, however, that Tokyo has any intention of taking any such anti-American step - although whether the Japanese forces in China will be guided by these principles remains to be seen.

Thus Japanese economic circles and the press have tried to assure themselves and the people (a) that the United States will not resort to "drastic measures" in view of the probable bad effects on United States business as well as the difficulties in enforcing a "moral embargo" and (b) that Japan will be able to carry on even without American trade, but at the same time the more thoughtful and conservative elements see clearly that if the United States does carry out the implied threat to control and restrict commodity shipments to Japan her whole national economy will be greatly effected. Japan will not only be compelled to obtain her oil, cotton, iron etc. from other sources, but may be faced with the probability of having her imports to the United States greatly reduced. This will naturally have a most adverse effect on her national economy, and that at a time when every effort is being made to maintain exports at the highest possible level.

There is no reason to be either pessimistic or optimistic in regard to the future of American-Japanese relations. It is possible that the Japanese authorities - both in Tokyo and in China - may change their policies, and do something positive to implement the numerous statements which have been made to the effect that Japan intends to respect American rights and interests in the Far East.

On the other hand it is possible that the Japanese Government - guided by the Army - will continue to disregard these interests in the future as it has done in the past. The United States can be certain of one thing, and that is that if the Japanese decide on the latter course, moral embargoes and threats to use force will not be sufficient to make them change. Forceful measures, that is armed intervention in the Sino-Japanese hostilities will be necessary. It is believed however that recent changes in Europe, including the rapprochement of Soviet Russia and Germany will make the Japanese much more conciliatory toward America and much more anxious to maintain good commercial and political relations with her. Japan can no longer be certain of support from Germany and Italy, and Soviet Russia has been freed to some extent from a German threat in Europe. Under these conditions Japan must move warily and must avoid trouble with the world's most powerful nation.

#### Relations with Great Britain.

The Japanese have recently made an attempt to force the British Government into accepting the "new order in East Asia", cooperating with Japan in economic matters in China, and withdrawing assistance and support from the Chinese national government. For the time being at least they have failed although it is probable that the attempt will be renewed at an opportune time. If the British cannot be induced by diplomatic measures to retire from China or to cooperate with Japan, other measures will be tried. Among the most probable of these are:

- (a) Increased pressure on British business interests throughout China.
- (b) Increased and intensified anti-British propoganda and demonstrations in the occupied areas.
- (c) Renewed attempts to weaken British interests in the concessions, especially Shanghai.
- (d) Threats against Hongkong.

Before the news of a Russo-German non-aggression pact reached the Far East, many competent observers including British authorities in China and Japan felt that Japan would begin to eliminate the British from the Far East by force, and that one of the first steps would be to occupy the British concession in Tientsin. Now the situation is somewhat changed, and it is probable that any moves which Japan may make in this direction will be made cautiously.

The conversations held in Tokyo over a period of six weeks between British and Japanese representatives form an important chapter in the history of the "China Incident" as well as in Anglo-Japanese relations. According to the Japanese Army the "military" phases of the China incident are completed and the reconstruction program is about to be started. In carrying out this program, it is essential that British attempts to frustrate the program be stopped and that "fundamental issues" between Japan and Great Britain be settled. What the Japanese really mean is that the military situation in China has reached a stalemate and in order to advance or even to hold the occupied areas additional Japanese troops in considerable numbers will be necessary. Therefore if Japan could induce the British to withdraw their support of the Chinese currency and to make concessions in North China, the Chinese Government and people might become so disheartened that they would be willing to compromise with Japan, and the considerable expenditures in men and money could be avoided.

The conversations which opened at a time when there were widespread and violent anti-British agitations and demonstrations made rather rapid progress at the beginning. The British after some discussion agreed to the following formula. "His Majesty's Government in the United Kingdom fully recognize the actual situation in China where hostilities on a large scale are in progress and note

that, so long as that state of affairs continues to exist the Japanese forces in China have special requirements for the purpose of safeguarding their own security and maintaining public order in the regions under their control and that they have to suppress or remove any such acts or causes as will obstruct them or benefit their enemy. His Majesty's <sup>Government</sup> have no intention of countenancing any acts or measures prejudicial to the attainment of the above mentioned objects by the Japanese forces and they will take this opportunity to confirm their policy in this respect by making it plain to the British authorities and nationals in China that they refrain from such acts and measures". As might have been expected the Japanese considered this to be a diplomatic victory, since the formula is capable of an interpretation whereby Japan would be given a free hand in China. Since almost any measure can under various circumstances be considered prejudicial to the attainment of Japan's objectives. However according to the British interpretation the formula:

- (a) Made no change in policy of the British Government toward the Chinese National Government.
- (b) Does not imply British approval of Japanese policies or measures.
- (c) Does not commit Great Britain to be neutral although a measure of impartiality is implied.
- (d) Does not imply that Great Britain cannot require redress from injuries or damage to British interests.
- (e) Places no restrictions on British relations with or actions against third countries.
- (f) Does not admit that Great Britain has been unneutral or impartial in the past.
- (g) Leaves Great Britain free to act according to her own interests in the future.

In the discussions which followed this agreement in principle the British made certain concessions to Japan in regard to the handing over of the four Chinese who were accused of terroristic actions in Tientsin and made minor concessions in regard to the suppression of anti-Japanese elements, propaganda etc. in the British controlled area in Tientsin. However just at the time when the more important questions of the silver holdings, the Chinese national currency problem and the economic issues were being discussed, the United States announced the abrogation of the 1911 Treaty of Commerce and Navigation, and the American and French Governments indicated to Japan that they were interested in North China financial and economic matters. It will probably never be known exactly how far the British Government would have gone in compromising with Japan, but it seems fairly certain that without American and French support Britain would have felt it necessary to go a long way in giving in to Japanese demands. Nevertheless the British attitude on the more important phases of the discussions did change and the conferences were finally adjourned after statements by both governments. The Japanese have indicted (a) that they consider that the economic problems were capable of settlement by Great Britain and Japan, (b) that Japan cannot agree to bringing third powers into the discussion and; (c) that a discussion based on the Nine Power Treaty would not be useful in settling the North China situation.

After the breakdown of the Anglo-Japanese talks in Tokyo the Japanese Army and the press were severe in their denunciation of the British attitude - certain Army spokesmen going so far as to say that it was clear that Great Britain desired a solution of the issues "by means of blood and iron". It was also indicated that a speedy solution of the Tientsin issues was necessary for military reasons, and that Great Britain must be responsible for whatever happened in the future. So far nothing has happened, and as has been indicated Japan will probably make no moves against the British until the European situation turns one way or the other. It would seem that

the prospects of a stronger Far Eastern policy on the part of Soviet Russia would make the Japanese more cautious about attacking Great Britain in the Far East. If the British become involved in a war in Europe Japan must wait for definite indications as to how it will develop before taking drastic action.

#### Relations with Soviet Russia.

Relations between Japan and Soviet Russia have reached an unusual degree of suspicion and tension during the past few months. Severe fighting between Japanese and Soviet-Mongolian troops continues on the western borders of Manchukuo and the Soviet Government continues to take a strongly provocative attitude toward Japan on the question of oil and coal mining rights in Karafuto as well as over fishery rights in Kamchatkan waters. Whatever the truth of the border fighting, the aerial battles and the labor troubles in Karafuto may be there cannot be the slightest doubt that the Soviet Russian attitude toward Japan has changed considerably during this period. The Japanese have done their best to indicate that they consider Russian obstruction tactics to be "absolutely intolerable" and that Moscow is playing a dangerous game in ignoring Japanese treaty rights as well as invading "Manchukuo", but so far the Russians have shown no disposition to heed Japanese warnings.

Certain important sections of the Japanese Army, especially the semi-independent Kwangtung Army believe that the current China incident is only a phase in the struggle against the Soviet Union, and that the successful conclusion of the incident is merely a preparatory step toward a war with Russia which will bring the whole of Eastern Asia under Japanese domination. It will be recalled that last spring both the Minister of War and the Vice Minister of War stated openly that Japan's military machine was designed for ability to engage both China and Soviet Russia simultaneously and that such an eventuality might not be long in coming. It will also be recalled that Japan has continued to strengthen the defenses and defense forces in Manchukuo until the best units of the whole Army are believed to be concentrated there. However, in spite of a disposition on the part of the more hot headed of the Army officers to force the issue with the Soviets at an early date, the Imperial Headquarters and the War Office in Tokyo have prevented the border clashes and other disputes from developing into a war. It has been difficult at times to do this, but so far the Kwangtung Army has listened to reason - and the Imperial commands.

Future relations with Soviet Russia can be expected to go from bad to worse. Soviet Russia has, according to reliable information, made a commercial treaty with China and has agreed to loan her considerable sums of money with which to purchase much needed supplies and munitions. Now Soviet Russia has entered into a trade agreement with Germany and has signified willingness to accept German overtures for a non-aggression pact. Under these circumstances Japan must either back down and make her peace with Russia or must prepare to carry out her plan of fighting China and Soviet Russia simultaneously. Russian intentions in the Far East are not clear, but it seems certain that her policy of assisting China is designed to enable the latter to prolong the hostilities to a point where Japan will be forced to admit defeat and withdraw from a part or all of China which is now under occupation. Whether the combined Chinese and Russian forces will be able to do this remains to be seen, but it is certain that Japan's troubles on the continent are far from over.

#### Relations with China.

All of Japan's political, military and economic energies are now devoted to bringing the struggle in China to a successful conclusion. Japanese relations with China are bound up entirely with their military campaign. The Japanese Army has, according to the best

information available some 34-1/2 organized divisions in China and in addition 10 brigades of Heavy Field Artillery, 5 Brigades of Cavalry, 4 Regiments of Mountain Artillery, 15-18 Regiments of anti-aircraft Artillery, 4 Regiments of Railway Engineers, 4 Communication regiments, 6 Tank Regiments and 8 Regiments of Aircraft. Three Japanese Fleets operate on the coasts and rivers and some 25,000 bluejackets assist in the occupation of all important Chinese ports. While it is by no means certain that these forces will be able to defeat the Chinese forces and successfully occupy all of the northern and coastal provinces, it is considered that Japanese chances of success are still good, especially if there is a war in Europe or unless China receives great assistance from Europe or America.

While the military situation has reached a temporary stalemate it appears that the future Japanese campaigns will be designed to:

- (1) Advance to Sian and possibly Lanchow to cut communications with Russia.
- (2) Advance to Ichang to cut off the Central Yangtse area.
- (3) To threaten Kwangsi and Yunnan.
- (4) To operate against the guerrillas behind the Japanese lines.
- (5) Consolidate all important strategic cities and points.
- (6) Eliminate foreign nationals rights and interests in the interior.
- (7) Reduce the importance of and finally eliminate the foreign concessions in China

Along with Japan's military campaign she has waged a political campaign designed to set up "puppet" Chinese governments in the occupied areas, and numerous regimes of this nature have been organized in North, Central and South China and various cities and towns. Obviously Japan has no intention of trying to organize a Central Chinese government except perhaps in name, since it will suit her purpose better to have three or four comparatively weak and mutually jealous provincial governments. These can be much more readily controlled in much the same way that the British exercise control in India. So far however these local Chinese puppet regimes have been conspicuously unsuccessful, largely because of the fact that the Japanese have been unable to attract any Chinese of ability, intelligence or standing to their cause.

The Chinese National Government while apparently determined as ever to continue the hostilities is in a serious situation due to lack of money, supplies and munitions. Factional jealousies between the dominant Kuomintang and the Communist elements also prevents proper coordination in the capital or in the field. There appears to be no change in either the Chinese Government or the Chinese Army, in that both are greatly lacking in efficiency and leadership with a few notable exceptions. However, numerous Japanese approaches which might lead to a compromise and peace have all been refused - and the Chinese still continue to hope for outside assistance to enable them to continue the fight. Recent Russian aid in the form of loans and trade agreements have already been mentioned, and it appears that the Chinese can look for little assistance from any other quarters until the European situation clears. A war in Europe will certainly increase the difficulties of the National Government.

#### Relations with Germany and Italy

Since late in 1936 Japan and Germany have been bound by an anti-comintern pact which was in 1937 expanded to include Italy. In the years which have followed the signing of these agreements various other understandings regarding trade and cultural matters have been reached, which have tended to bring the three countries

concerned into closer relations with each other. In its original form the anti-comintern pact was largely directed against Soviet Russia, but in the last eighteen months both Japan and Germany have found it to be most useful in opposing Great Britain and France both in Asia and in Europe, and by careful timing have used the "understanding" to their mutual benefit in threatening British interests. It is probable that in addition to the anti-comintern pact as published to the world there was a secret military understanding between Germany and Japan which provided for mutual assistance against Soviet Russia under well defined conditions. The exact form of the military understanding is not known, but whatever it was, it was not considered to be a formal and binding military alliance by which Japan agreed to support Germany under all conditions.

Since the spring of this year however there has been a continued and vigorous effort by the Japanese military to force the government to conclude such an alliance, and this problem has, for long periods been one of the major political issues of the day. Early in June it was formally decided by the Cabinet that for the time being Japan would not enter into a military alliance with Germany, would not become directly involved in any European war and would subordinate her "European policy" to her "China policy". This decision was reached only after long and careful deliberation, in which the Japanese Navy played the major part in opposing the alliance. Early this month, however, the Army began another drive to force the signing of an alliance, moved apparently by the possibility of an Anglo-French-Soviet military agreement. Although the Cabinet discussions regarding the Alliance proceeded cautiously, it was reliably reported at one time that the Army's stand was so determined that a change of Cabinet might take place or that the military might assume control of the Government by force. Plots to assassinate the Japanese leaders who opposed the Alliance were discovered - Count Makino, Mr. Ikeda (former Finance Minister), Mr. Yuasa (Lord Privy Seal), Mr. Matsudaira (Imperial Household Minister), Vice Admiral Wamamoto (Vice Minister of the Navy) being among those mentioned. As a result of numerous Cabinet meetings it was apparently agreed that the final decision would be deferred for the time being and that Japan should wait further developments in Europe before deciding the "details" of her European policy.

It was during this period of uncertainty and confusion that the news of the Russo-German trade and non-aggression agreements reached Japan. To say that the Japanese Government and people were unprepared for this development would be to understate the situation. To state that they are now more uncertain and confused would be to put the case mildly, although every effort is being made to view the situation calmly, to emphasize the fact that the details of the agreement are not yet known and therefore that the ultimate effects on Japan cannot be foreseen and to try to console themselves that perhaps the anti-comintern pact is not a dead agreement.

It is difficult to see how German-Japanese relations can be restored to their former state for a considerable period. Japan, having lost her axis friends will be compelled to stand alone and to rely only on her own strength to carry her through her difficulties. It would seem that the logical thing for her to do would be to try to regain the good will and friendship of the United States and Great Britain .. at least until there is a war in Europe.

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

ATTACHÉ'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or elsewhere, according to subject matter.

From NA/TOKYO Date AUG 24, 1939 Serial No. 186 File No. 106

Source of information \_\_\_\_\_  
(Communications news copies each January thru) (Subject proper number from O. N. I. index)

Subject Japan Political Summary of Political Forces for  
(Nation reported on) (Include title of report, including dates) (Subtitle)  
the Prosecution of War.

Reference \_\_\_\_\_

**NOTE.**—(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.)

Probable Japanese Action in the Event of a European War.

52

1939



GENE

Routing copies made for use by O. N. I. Check distribution of the routing copies on all copies. These checks control the distribution of the copy intended for the particular distribution to be made.

Director	A-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										Manu- graph	Micro- film	Budget	C. N. O.	Gen'l Staff	War College	R. I. S.	Nav.	Ord.	T. S. B.	C. S. R.	Eng.	S. S. A.	M. S. E.	Asst.	U. S. M. C.	H. O.
Yark. Div.	C. in C. U. S.	Com. Bat. For.	Com. Sea. For.	C. in C. Asst.	Com. S. S. B.	Com. Air	Attached at	Operations				Steno	Com- mence	Return to Room No.													
								Com. Div.	W. F.	Com. J. L. T.																	

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of drawings, sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 136.  
Japan.  
August 24 1939.

100 - Political.  
106 - Summary of Political Forces  
for the Prosecution of War.

Probable Japanese Action in the Event of a European War.

In the event of a war breaking out in Europe it is very improbable that the Japanese will take any precipitate action. Not only do they have their hands full in trying to deal with the Chinese, but they have very little to gain by hasty or ill considered measures. They will certainly not enter the war directly. Also it seems that no immediate action will be taken in the Far East for the following reasons: Firstly the Chinese will be greatly disheartened by a war in Europe, since they will realize that Britain and France can no longer spare supplies and munitions for China while a war is in progress in Europe. With the hope of this assistance gone, Chinese morale as well as materiel will necessarily suffer. Japan's military tasks both at the front and behind the lines should be made easier. Secondly, Japan is greatly in need of foreign exchange, of keeping up her export trade and of building up her stocks of war materials. She can do this only by remaining neutral, and by engaging in a lucrative trade with the areas normally served by the British, German, French and Italians, including India, Australia, Africa, etc. Any hasty Japanese action against British or other foreign interests in China would jeopardize this chance of making large profits at a time when money is badly needed. Thirdly, Japan must wait to see how the war is progressing in Europe before taking action against any particular group of foreign interests in China. If Great Britain and France are defeated in Europe their interests in China will eventually become an easy prize for Japan. It is not necessary to seize them immediately. On the other hand if Great Britain and France are victorious in Europe they will then be in a position to devote their entire military strength - including a greatly increased Navy and air force - against Japan. Until the issue is decided fairly definitely one way or the other, Japan must withhold her action.

Lastly Japan must not take any action against foreign rights and interests until she knows what the probable reaction in the United States will be. The United States will certainly not look with favor on any Japanese attack on the rights of the treaty powers - and might under certain conditions oppose any such attack with force. Japan must make sure of America's attitude before acting.

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

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attaché. These copies will be distributed by O. N. I. as per footnotes or elsewhere, according to subject matter.

From NA/Tokyo Date Sept. 12, 1939 Serial No. 200 File No. 100  
(Commence new series each January first) (Indicate page number from 1 to 10)

Source of information Various

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

Reference \_\_\_\_\_



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

GENERAL INTELLIGENCE SUMMARY - PART II  
 POLITICAL

RECEIVED  
 NAVAL INTELLIGENCE

53

Japan has a new Cabinet which is, as was the preceding Cabinet, entirely under Army domination. The new Cabinet can be expected to carry out the following policies:

- (a) Vigorous attempts to bring the "China incident" to a close;
- (b) Continued opposition to Soviet Russia;
- (c) Non-involvement in European affairs, for the present.

In regard to China, Japan can be expected to:

- (a) Increase her forces in China in order to hasten a military decision;
- (b) Put increased pressure on British and French interests;
- (c) Hasten the formation of a new Central Chinese government.

No new domestic policies can be expected from the new Cabinet.

Director	S-1, S-2, S-3, S-4, S-11, S-12, S-13, S-14, S-15, S-16	graph	map	Budget	C. N. O.	Gen. Staff	War College	N. I. S.	Nav.	Ord.	T. S. B.	C. A. B.	Eng.	I. S. A.	M. A. S.	Avn.	U. S. M. C.	N. O.
Tech. Div.	C. in C. U. S.	Com. Int. For.	Com. Sea. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attached at	Operations				State	Com. Source	Return to Room No.				
								Com. Dir.	W. P.	Com. V. T.								

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photo-etching.

Japan.

September 12 1939.

General Intelligence Summary - Part II.  
POLITICAL.

For the first time in the history of Japan a Cabinet in resigning gave as the reason the failure in the government's foreign policy. There can be no doubt however that the failure was a great one - probably the greatest diplomatic blunder in the history of Japan. From this standpoint alone there was good and sufficient reason for the Cabinet to resign, although the responsibility for the blunder rests largely with the Japanese Army.

The history of Japan's relations with European countries, particularly Germany and Italy, is well known. The guiding principle of Japan's foreign relations with Europe since 1936 has been the anti-comintern agreement. At various times during this period there have been movements to strengthen this agreement into a military alliance, the Japanese Army being particularly insistent on this. Early in the summer the Cabinet arrived at a definite policy on the question of the military alliance, and although the character of this policy was not revealed it was quite clear that the Japanese government while not yet ready to strengthen the pact into an alliance, was considering certain steps to bring about closer cooperation with Germany. During the summer Army pressure on the Cabinet for the alliance increased but just as another "fundamental decision" was about to be reached, the news of the German-Soviet Russian non-aggression pact arrived in Tokyo.

The fact that Germany, long considered to be Japan's strongest ally and friend, could make a non-aggression agreement with Soviet Russia, long considered Japan's greatest enemy was too much for the Japanese Cabinet. The Prime Minister in his reports to the Throne and in his statements to the Japanese people had given an entirely different picture of the international situation. Under these circumstances it was necessary for Japan to "make a new start in her diplomatic policy" and for this, a new Cabinet would be necessary.

In reaching a decision as to who should be selected to lead the new government, the Japanese "Cabinet makers" - Prince Saionji, Prince Konoye, Marquis Kido, Mr. Yuasa, and the "Imperial Headquarters" apparently considered it wise to decide on the general policy of the country first and then select a man who could be counted on to carry out that policy. In general this policy was to be: (a) vigorous prosecution of the hostilities in China, (b) continued opposition to Soviet Russia and communism, (c) non-involvement in European affairs. The man who was selected to carry out these policies was General Nobuyuki Abe, a retired Army officer who has had long and close associations with Prince Konoye and Marquis Kido. The new Cabinet headed by General Abe is as follows:

Premier, concurrently Foreign Minister - General Nobuyuki Abe.	
Home Minister, concurrently Welfare Minister - Naoshi Ohara.	
Finance Minister (also Governor Planning Board) - Kazuo Aoki.	
War Minister - General Saunroku Hata.	
Navy Minister - Vice Admiral Zengo Yoshida.	
Justice Minister - Chogoro Miyagi.	
Education Minister - Kakichi Kawarada.	
Agriculture and Forestry Minister - Vice Adm. (Ret.) Takuo Godo.	
concurrently Commerce and Industry Minister	
Communication Minister	
concurrently Railway Minister	Ryutaro Nagai.
Overseas Minister -	Tsunoo Kanomitsu.

This new Cabinet has not been received with any degree of enthusiasm by the Japanese press or people - it being considered that General Abe's ability and skill are unknown quantities and that the other members of the Cabinet who were not completely "Army men" are of mediocre caliber. It is significant that in spite of the fact that Army blunders in foreign policy made the Cabinet's resignation necessary, Army control of the new Cabinet is stronger than it was in the former Cabinet. That is, not including the Prime Minister and the War Minister who hold Army ranks, there are four of the remaining eight Ministers who can be considered as having been appointed directly by the Army. These are Finance Minister Aoki, Education Minister Kawaroda, Agricultural Minister Godo (also Commerce and Industry Minister) and Communications Minister Nagai (also Railway Minister). It should be noted that there are only ten Cabinet Ministers and that several of them hold dual posts - "for the purpose of expediting State business". Whether additional Ministers will be appointed is not known, although statements made by Premier Abe give the impression that only a Foreign Minister will be appointed at some future date.

The Cabinet has been in office less than two weeks, and in that time it is difficult if not impossible to prophesy the future of the Abe Government. It does appear, however, that the Prime Minister is making excellent beginnings to carry out the foreign policies for which he was selected. Shortly after the outbreak of the European War the Prime Minister issued a statement saying, "In the face of the European War that has just broken out, Japan intends not to be involved therein; it will concentrate its efforts on the settlement of the China incident" - confirming the general feeling that Japan has no intention, for the time being, of taking sides in the European conflict. However, the statement is somewhat ambiguous and does not specifically state that Japan will remain neutral, which leads certain observers to believe that the way is still left open for Japan to engage Great Britain and France in the Far East, but from an "independent position". As regards the China situation, it is clear that the present government means to do everything possible to: (a) hasten the settlement of the incident by increased military activity both in the occupied areas and against the Chinese organized armies; (b) drive out British and French influence or to so threaten their influence and interests that Great Britain and France will "co-operate" with Japan; (c) set up a "representative" Chinese government as soon as possible in the hope that the Chinese, wearied of the long drawn out hostilities and with little possibility of British and French assistance, will make peace. To accomplish the first of these objectives, more troops have been sent to China in the last two weeks than at any one time since the outbreak of the incident - reliable estimates placing the number at ten divisions. To try to accomplish the second objective the British and French governments have been given "friendly advice" to the effect that they should withdraw their warships and troops from the occupied areas. To accomplish the third objective, Mr. Wang Ching-wei and his group have been given increased funds and support in order to hasten the establishment of the new Central China Government founded by a new Kuomintang.

As regards Japan's future relations with Russia, nothing definite seems to have been accomplished, but the initiative in this appears to have once again passed to the Russians. Soviet Russia is partially freed from the threat of German aggression and she seems to have already taken stronger action against the Japanese forces on the western borders of Manchoukuo. Whether this will force the Japanese to make a temporary settlement or whether it will lead to more widespread hostilities cannot be predicted at this time. It seems most improbable, however, that Japan will join forces with Russia. An Anglo-Japanese rapprochement seems under the circumstances to be much more probable.

Nothing new can be expected from the Abe government as regards domestic policy. The new Cabinet can be expected to carry on in almost complete disregard of the factions and forces of the Diet and the political parties. In fact, under the circumstances there is no more reason why these groups should be taken into account than they have during the past two years. The economic and financial policies which have been followed and which the present government will probably continue to follow have been made the subject of another section of this report. In it the opinion is expressed that government control over all phases of Japanese economic life will be intensified, taxation increased, and the export trade encouraged. It is also pointed out that Japan will become increasingly dependent on the United States for the materials to carry on the hostilities, and that as a result, Japan must necessarily give greater heed to American desires - particularly as regards China.

While it is inevitable that in wartime all civil as well as military administration must be concentrated in the General Staff or the Imperial Headquarters and that political factions and parties must suffer in consequence, it appears that the Japanese political parties, even including the rightest organizations, have had to take blows from which they may never recover. Both the Seiyukai and the Minseitō, the two principal Japanese political parties might be non-existent as far as wielding influence goes. From time to time the party leaders hold meetings and issue programs and plans - but these are found on examination to be mere echos of programs already published or advocated by the Army, the Cabinet Planning Board or the Foreign Office. Even the famous rightest organizations - the Black Dragon Society, the Patriotic Society, the Justice Association, the Nippon Young Men's Society, the Patriotic Farmers Society, the Renovation Party and the Patriotic Political Society to mention only the most important - are almost entirely inactive. Curiously enough, however, at a time when all Japan talks of unity and cooperation, these political parties and groups remain mutually jealous and suspicious. Perhaps it is because none of the parties have been founded on anything stronger than expediency and sentiment combined with a desire to try to make a western system of government work in Japan that is at all possible.

It can be taken for granted that the Abe Cabinet will continue to stress "National Spiritual Mobilization" for unifying the Japanese people to continue the war. All government pronouncements make it clear that more sacrifices will be expected of the people and that in the future the government will demand more than has been demanded in the past. It must be admitted that the Japanese people show few signs of economic strain, and no signs that they are not willing to endure any economic difficulties which may be necessary to assist the government in carrying out its China policy.

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

ATTACHE'S REPORT A-1-0/7284-A

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per instructions or elsewhere, according to subject matter.

From NA/TOKYO Date NOV. 1st, 1939 Serial No. 257 File No. 701-200  
603-300

Source of information Observation and press  
(Indicate title or per index sheet) (Select proper number from O. N. I. Index)

Subject Japan Cities & Towns - Coast Defenses -  
(Nation reported on) (Index title or per index sheet) (Air Defense) (Subtitle)

Reference \_\_\_\_\_

Note.—(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.)

Air Defense Drills in the Tokyo Area

Impressions and personal observations of the recent Air Defense exercises participated in by Army, Navy and civilian organizations.

54

Distribution: (7)  
CMT



Task Div.	C. in C. U. S.	Comd. Sub. For.	Com. Sec. For.	C. in C. Adv.	Com. A. S. S.	Com. Air	Assigned to	Operations			Status	Comments	Return to Source No.	
								Com. Dir.	W. P.	Com. PL. Tr.				

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of drawings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable styles for blueprinting or photostating.

U. S. GOVERNMENT PRINTING OFFICE 4-3889

Report No. 237  
Japan  
November 1st, 1939

600 - Cities and Towns  
603 - Coast Defenses  
300 - Air Defenses

### Air Defense Drills in the Tokyo Area

Reference: (a) NA/Tokyo Report No. 176-39 of 4 August 1939  
(b) NA/Tokyo Report No. 159-39 of 19 July 1939

The Air Defense drills just completed were the most comprehensive and best executed defense preparations ever staged in Japan and they have been the subject of very favorable comment from foreign air attaches and Japanese government officials.

In contrast to the lackadaisical performances in the past, these exercises enlisted the support of the patriotic women's organizations, the neighbors' volunteer corps and various other air defense organizations for both men and women. Leadership appeared to be far above any previous efforts and the groups were well directed by locally trained men.

That the exercises were strenuous is indicated by the high casualty list for the practice. Seventy seven people were injured, at least half that number quite seriously, and three killed. In addition, there were other civilian casualties not included in the above report who were killed by streetcars and automobiles during the darkened period. Gas fumes and over exertion accounted for the majority of injured.

Light control was excellent. Even during the precautionary period, men of the air defense corps made the rounds of all houses and inspected for light leakage, reprimanding those found delinquent. Tokyo during the actual blackout was as nearly black as it is possible to be. Cars cruised at greatly reduced speeds with black cloth over headlights and lights dimmed. Traffic was directed with low power lanterns and pedestrians forced to obey. Streetcars lurched down tracks gleaming in the moonlight, with an occasional flash from the overhead power cables. Flashes from the trolley wires were the only discordant note in the blackout symphony. In an actual air raid streetcars should stop as the flashes throughout the city are a give-away.

Measures observed by the defense corps for firefighting and local protection are deserving of mention.

1. Beside each front door reposed a large tub of water, a fire extinguisher of sorts and at least one bucket of sand. All families had buckets or wooden pails for hand-to-hand passing of water to the scene of the fire or gas attack.

2. Fire hoses, many in terrible states of age and disuse, were made available at the fire hydrants in the more crowded sections of the city. These hoses were manned by men of the neighborhood defense brigades. It should be mentioned that water pressure is very low and the capacity of the hose equally bad.

3. At the air raid alarm signal, all members of the corps, men, women and children gathered in the house entrances and awaited orders. With alarms sounding all day and all night for a period of one week, it seems remarkable that at the end of the week most of those participating were actively engaged and apparently enjoying the drills.

4. Smoke bombs, gas bombs and other detonating signals were used to simulate the dropping of enemy bombs. Bucket brigades would form in an instant, hoses would appear if available and wet straw matting and sand would be thrown over the bomb to smother the fire.

5. Alarm signals were clear, loud and distinct from ordinary factory whistles. In every section of the city and on most large buildings air raid sirens are erected. When they all sound at the same time the noise reaches to the farthest edges of the city.

6. Army and Navy airplanes were used to fly over the city and their passing was a signal for the use of bombs in the streets. On the last morning, at least one hundred planes flew over Tokyo, some diving and zooming, others performing horizontal bombing missions.

7. Anti-aircraft defenses were set up on all major buildings and consisted mainly of 30 caliber machine guns, with an occasional AA battery hidden in one of the many city parks. These guns fired blanks at the invaders and it appears that they used many hundred thousand rounds of blanks during the exercises.

8. There are no fixed AA defenses in the city of Tokyo, and there are no subterranean shelters or dugouts in the vicinity. The one subway available is too shallow for any real protection from medium sized bombs and the authorities have indicated that it is not to be used for shelter in air raids.

9. In addition to the many lookouts and watchers stationed throughout the city and countryside for the transmission of air raid alarms it has come to the attention of the Naval Attache that an undisclosed number of fishing vessels, equipped with wireless are used for an offshore patrol force, on duty 24 hours a day.

The major factor which may defeat the entire purpose of the air raid drills is inherent in the construction of the city. Aside from the main business district, which is a comparatively small section of the city, the houses are so close together and are such firetraps that should a bomb alight in their midst the whole section would go up in flames before the defense corps, with their inadequate equipment, could begin to extinguish the flames. Even in the main business district the imposingly facaded buildings are built on concrete foundations with their main structure of wood and plaster covered with an outer veneer of brick or granite. These would be rent asunder by concussion and heap debris in the street.

With such a background, it is no wonder that the authorities take such pains and spare no efforts to indoctrinate the average man and woman with the gravity of the situation existing during these troubled times.

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or otherwise, according to subject matter.

From NA/Tokyo Date Nov. 1st, 1922 Serial No. 222 File No. 100-106  
(Commence new series with January first) (Index proper number from O. N. I. Index)  
 Source of information BUDOKAI SHUNJU  
 Subject Japan Political - International relations  
(Station reported on) (Index title as per index sheet) (Subsidiary)

Reference

Exam.—(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.)

Semi-Official Naval Views on the New Order in East Asia and American-Japanese Relations

An influential naval officer discusses the New Order in East Asia and American-Japanese relations and sets forth what are believed to be the official Japanese naval views on these subjects. The following remarkable statements are made:

1. European powers, particularly Great Britain, have prevented China's development and as a result China's condition has not improved over a period of many years.
2. Japan has never exploited Formosa, Chosen and Kwantung in the British manner. Japan tries to assimilate her colonies.
3. Since the Russo-Japanese War Japan has been cheated by Great Britain and oppressed by the United States.
4. America "pays lip service to justice and humanity" but in reality her dominating policy is self interest.
5. America's policy toward China is nothing more than an exploitation policy thinly disguised under slogans such as the "open door" and "equal opportunity".
6. America will not risk war with Japan over the China question. This is because of the strength of the Japanese Navy.
7. America should take a moderate attitude and settle outstanding problems with Japan in a friendly fashion. These problems include mutual interests in China, the safety of the Philippines, etc. It would be in the interest of American-Japanese friendship if the United States were to sell Guam to Japan.
8. The fundamental cause of Russo-Japanese disputes is that years ago Russia seized Sakhalien and the Maritime provinces of Siberia which were then Japanese territory. If Japan could recover these stolen territories, all disputes between the two countries would cease.

55

Director	Asst. Dir.	Chief Clerk	Ident. Sec.	Int. Sec.	Lab. Sec.	Legal Coun.	Plan. Sec.	Spec. Inv.	Training	Off. Sec.	Com. Sec.	Gen. Sec.	Adm. Sec.	Exec. Sec.	Rec. Mgmt.	Telephone Rm.	Director's Sec'y

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of sketches, carbon of sketches, etc., where practical. If practicable, submit sketches in suitable style for blueprinting or photostating.

Report No. 238  
Japan  
November 1st, 1939

100 - Political  
103 - International  
relations.

Semi-Official Naval Views on the New Order in East Asia and  
American Japanese Relations

The following article by Rear Admiral Gumppei Sekine (Ret) appeared in the October number of the Bungei Shunju. Since this article is believed to set forth in a general way the official views of the Japanese Navy on the subject of the "New Order in East Asia" and Japanese American relations it is reported in full. It will be noted that Rear Admiral Sekine makes a number of remarkable and interesting statements. Among these are:

1. European powers, particularly Great Britain, have prevented China's development and as a result China's condition has not improved over a period of many years.
2. Japan has never exploited Formosa, Chosen and Kwantung in the British manner. Japan tries to assimilate her colonies.
3. Since the Russo-Japanese War Japan has been cheated by Great Britain and oppressed by the United States.
4. America "pays lip service to justice and humanity" but in reality her dominating policy is self interest.
5. America's policy toward China is nothing more than an exploitation policy thinly disguised under slogans such as the "open door" and "equal opportunity".
6. America will not risk war with Japan over the China question. This is because of the strength of the Japanese Navy.
7. America should take a moderate attitude and settle outstanding problems with Japan in a friendly fashion. These problems include mutual interests in China, the safety of the Philippines etc. It would be in the interest of American Japanese friendship if the United States were to sell Guam to Japan.
8. The fundamental cause of Russo-Japanese disputes is that years ago Russia seized Saghalien and the Maritime provinces of Siberia which were then Japanese territory. If Japan could recover these stolen territories, all disputes between the two countries would cease.

Rear Admiral Sekine's article in translation is as follows:

"Over three hundred years ago England put into operation an overseas development policy which was worked out in three stages, namely: production, exploration and colonization.

"In the last of the three stages she specially devoted her energies to expansion of markets, acquisition of materials, and development of advance bases. In her commercial transactions she would purchase at low costs raw materials needed for production at home, sell finished products, and while she would contribute towards the development in the colonies of industries necessary for the maintenance of her advance bases, she would check the progress of industries in general. As the result of this policy, East Asia, particularly China, which was made the object of British colonization, was exploited, and excepting a group of middlemen, the Chinese in general numbering 400,000,000 remain now as before unimproved by the British development of the continent.

"This is the old order in East Asia, in sharp contrast with which is the new East Asiatic order which is now beginning. Under the old order the Powers made their colonies remain forever reservoirs, from which they drew agricultural and mineral supplies.

To cite an instance of the existence of the old order elsewhere, the American revolution was caused by America's resistance to the pressure brought to bear upon her by England, who feared that American industries and sea power might develop to a point where she would prove to be a strong competitor of the mother country.

"In Japan, even under the 'Tokugawa regime', the danger of remaining long as a country producing only raw materials was perceived. For instance, the Shimazu family, which headed the Setsuma Clan, had at that time already established spinning factories, manufactured arms and ammunitions, and constructed ships. Thus, now 70 years after the 'Meiji Restoration' Japan has become a world shipping and industrial country. In other words, because she had an early start, she could complete the transition from the old order to the new comparatively easily. On the other hand, her close neighbor China still continues her existence as a country supplying the Powers with raw materials.

"In examining Japan's colonial policy it is perceived that she has always adopted the policy of assimilating her colonies, and that she has shown little inclination to exploit them as England has done and is still doing. In her development of Formosa, Korea, and Kwantung, Japan held to the principle of assimilation in her efforts to bring them up to the standard of Japan Proper in industry, culture, etc. It is not necessary to add that the new East Asiatic order aims at the salvation of the exploited peoples in East Asia including China.

"The demand for the establishment of a new order does not exist in East Asia alone. Today in the world there is a tendency toward the unification of races living in different but adjoining areas and within these unified groups to establish economic self-sufficiency, and to trade on a barter basis with other racial groups. This movement is in contrast with the old order based upon the exploitation of colonies through the process of production-sea power-colonization. A condition exists in the world of today where a large number of people living in congested areas of comparatively low degree of culture are taken advantage of by a few nations leading individualistic and egotistic lives. Such an unjust and irrational condition should be reformed.

"Japan has taken in hand the construction of a new order in East Asia. It is admitted that the task will never be an easy one, for the reason that the countries which have waxed prosperous through preservation of the status quo are determined to resist any attempt at destruction of the old order, even to the extent of sacrificing the peace of the world.

"The China incident, the long-range objective of which is the construction of a new East Asia, broke out 26 months ago. It would seem that it will be a long time before the immediate objective of the campaign in China - the destruction of the Chiang Kai-shek regime - is achieved. It would be an easy matter to bring the Chiang regime to collapse, were it not for the fact that there are foreign countries in the background of its resistance against this country.

"American sentiment toward Japan has grown increasingly hostile since the outbreak of the incident, although there has been no outright rupture of relations. If there has been no breach in American-Japanese relations, it may be ascribed to the fact that the two countries had been friendly toward each other for many years before the present trouble arose.

"At the time of the Manchurian incident, America notified Japan of its intention to withhold recognition of any government brought into existence through Japanese action, despite the fact that the dispatch of troops to Manchuria was in exercise of the right of self-defense. Although the American action was resented by the Japanese, they refused to allow themselves to be swayed by a feeling of indignation comparable to that which swept the country at the time the discriminatory immigration law was enforced.

"Toward the action taken by the United States a few weeks ago in abrogating the 1911 Treaty of Commerce and Navigation, the Japanese thought it fit to adopt an attitude of moderation. This was not motivated by deference to American might, but rather because the Japanese still hold an inordinate measure of goodwill for the Americans. They hold, however, that there is no reason why America, which has understood Japan's problems since it was opened to the world, should be unable to appreciate its present viewpoint.

"But the citizens of the United States must keep the fact in mind that there is a limit to the patience of the Japanese. It will not be too much to say that the history of Japan in the company of nations since the Russo-Japanese War has been marked throughout by cheating at the hands of Britain and oppression at the hands of America. This fact is beginning to dawn on the minds of the Japanese. They seem to be awakening to the true character of America.

"To state it frankly, the Japanese have thought too highly of America. It is a fact that most Japanese have accepted the belief that America is a country wedded strictly to the principles of justice and humanity. I do not go so far as to say that America has flouted these sacred principles. The point is that there is nothing to distinguish the United States from other countries. Put another way, America like other countries has paid lip service to justice and humanity, while pursuing its dominating policy of self-interest.

"At the time of their entry into the World War, it was the conviction of the American people that their participation was for the purpose of defending justice, liberty and humanity. The real motive behind the American entry into the World War on the side of the Allies was the fear that the defeat of the latter by the Central Powers would result in heavy economic losses to the United States, which had financed them and furnished them with arms and munitions during the greater part of the war.

"American leaders talked of saving the world for Democracy simply for the purpose of working the people into a fighting pitch. Their real object, obscured by cries of justice and humanity, was to protect the investments and interests of American capitalists in Britain and France.

"That the aim of American leaders is to promote their interests under the cloak of championing justice and humanity in a wicked world is further evidenced by the attitude they adopted during the Manchurian incident. In the American Government's note to Japan in protest to Japanese action in Manchuria, it was stressed that America had an important role to play in the settlement of the incident. Its attitude was based on a utilitarian policy. Our conclusion is that America's talk of justice and humanity is a mere matter of formality, and that its real aim is to further its material interests. This would seem to be apparent in the stand taken by the United States in the series of representations to this country with regard to the current incident. I wonder what feeling the Japanese will come to entertain against the Washington Government should it persist in its present attitude toward this country.

"The Japanese were mistaken in their assumption that the American people, who attained their independence by breaking away from British oppression, would be sympathetic toward the Japanese campaign in China, the objective of which is the establishment of a new order in East Asia for the good of all Asiatic peoples. The Japanese fondly believed that the Americans would be the first to understand the position of Japan, which was similar to that in which America was placed at the time of its Revolutionary War.

"I wonder what the Americans will say if the Japanese arrive at the conclusion that the United States, after all, shares

with Britain the desire to prevent the development of China and to keep it in a semi-colonial status for the sake of exploitation by greedy third Powers.

"What America has done in the past in China, under the policy of the open door and equal opportunity, was nothing more than exploitation. Did America make any attempt to convert China into an industrial nation, for the good of the Chinese people?"

"American policy toward China is such that it will not be an easy matter to adjust American-Japanese relations. The Japanese, vitally concerned about the attitude of America toward this country, are most anxious to know whether there is any intention on the part of the United States to go the length of resorting to armed force in order to make its view prevail regarding the China incident. The question narrows down to just that - whether America means to go to war with Japan over China.

"Some hold that a solution can be found to American-Japanese relations without going to war. Others aver that only an armed conflict between Japan and America will settle the China incident. To my way of thinking America will not risk war with Japan over China. The American people realize that war in the Pacific will bring them no profit, just as their participation in the World War added nothing to their interests.

"But much depends on the attitude of the American Government toward this country. If there is no modification in the attitude of the present Washington rulers, who regard Japan and the Japanese people with enmity, there is no gainsaying that a crisis will arise in Japanese-American relations.

"There is no occasion for alarm on the part of the Japanese people, however, so long as they pursue the policy of preparing for the emergency. Some persons are apprehensive lest there be war in the Pacific. They may rest assured. There is the Imperial Navy, which can stand its own with any fleet in the world. While the Navy has command of the sea in the Western Pacific, the American fleet will not be able to attack Japan so easily as American officials and citizens once believed.

"If the Americans cannot appreciate Japan's intentions, it is because they are blinded by love of gain and cannot see Japan and the Japanese people in their true light.

"There is every reason for believing that the United States has everything to gain and nothing to lose if the new East Asiatic order envisaged by Japan is established. If it modifies its attitude and cooperates in the construction of the order, Britain likely will follow suit.

"The Washington Government is making a fuss over the alleged failure of Japan to observe provisions of the Nine-Power Treaty. This treaty, it must be remembered, was signed in the atmosphere engendered by the conclusion of the Washington treaty, which curtailed Japan's naval strength to 60 percent of that enjoyed by the United States and Great Britain. It did much to cause the Chinese to hold this country in contempt. In fact, the Nine-Power Treaty did as much to aggravate Sino-Japanese relations, as did the Washington Naval Treaty. Japan must abrogate the former, just as it did the unfair naval treaty imposed upon it by Britain and America.

"Japan has no territorial ambitions in China, or anywhere in Asia, in fact. Neither has it any intention of undermining American interests in this part of the world.

"I should like to see America abandon its suspicions of Japan and adopt a moderate attitude of settling the question of its interests in China through negotiations with this country. Japan would deal with America in a cheerful atmosphere. Then the question of mutual interests in China, as well as the safety of the Philippines

after their complete independence, would be able to find their own solution.

"Clarification of Japanese-American interests would obviate the need for fortifying the island of Guam. In this connection, I think that it would be in the interest of American-Japanese friendship if the United States were to sell Guam to Japan, so that this country may guard it for the sake of peace in the Pacific.

"I trust that it might not be out of place to add a word concerning Soviet-Japanese relations.

"Recently as relations between Japan on the one hand and England and America on the other became strained, those between Japan and the Soviets have become serious. Disputes between the two countries relating to fishery, coal and oil interests in the North Sakhalin, etc. have increased ever since the Russo-Japanese War of 1904-1905. It should be remembered that before that date Russia made large-scale invasions of Japanese territories. Without doubt the entire Sakhalin Island was originally a Japanese possession, and the present Russian possessions in the Far East were once under Japanese rule. Authentic records show that about 130 years ago a Japanese official first discovered the mouth of the Amur River, and explored under governmental orders its principal stream. Later, however, Russia by means of armed force seized Sakhaline, the Maritime Province of Siberia, and even the Kurile Islands. In negotiations after the 'Meiji Restoration', Russia kept Sakhalin and returned 'in exchange' the Kurile Islands to Japan. The source of the present dispute over various problems lies in the Russian invasion of a region originally under Japanese influence. In short, in addition to its invasion into Japanese territories, Soviet Russia is encroaching upon Japan's justly acquired interests in the region, conducting communistic activities and interfering with her attempt to establish a new order.

"For these reasons, Japanese-Soviet relations belong to a category entirely distinct from that governing relations with England or America respectively. Though the author has no intention of ever encouraging a Japanese-Soviet war, should Japan recover her stolen territories the fundamental solution for all these disputes could be effected.

"Under the light of these facts, it appears that Americans have a mistaken idea of Japan's attitude towards the Soviets. But, if communistic activities and propaganda were insistently conducted in Canada or Mexico should Americans be able to remain silent and inactive?"

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

FE

ATTACHE'S REPORT

Forward seven copies (original and six carbon); this number is necessary because of the limited personnel in O. N. I. and because of the necessity for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnotes or otherwise, according to subject matter.

From NA/Tokyo Date Nov. 6th, 1939 Serial No. 246 File No. \_\_\_\_\_

Source of information Press (Cite source and series and summary first) (Select proper number from O. N. I. Index)

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

Reference \_\_\_\_\_

Note.—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.

Alleged Anti-Japanese Attitude of U.S. Navy - Press Reports of

Japanese Foreign Office spokesmen and the Japanese press comment on the existence of an anti-Japanese "die hard" group in the United States Navy, and include Admiral Stark as a member of this group.

56

Director	A-S-C-D-E				Manu-	graph	Index	Budget	C. N. O.	Com' Board	War College	N. I. B.	Nav.	Ord.	I. S. B.	C. A. R.	Eng.	S. A. A.	M. A. R.	Aer.	U. S. M. C.	H. O.
Asst. Dir.	B-1, B-2, B-3, B-4, B-11, B-12, B-13, B-14, B-15, B-16																					
Chief Clerk	C. in C.	Com. Sec. For.	Com. Sec. For.	C. in C. Asst.	Com. S. S. S.	Com. Air	Attached at	Operations				Sta.	Com- mence	Return to Room No.								
Tech. Div.	C. in C. U. S.	Com. Sec. For.	Com. Sec. For.	C. in C. Asst.	Com. S. S. S.	Com. Air	Attached at	Can. Div.	W. P.	Com. P. L. T.	Sta.	Com- mence	Return to Room No.									

Use forms for all copies. Use only forms as supplied by O. N. I. Make all sketches, etc., uniform in size with this form where practical. Submit extra copies of clippings, carbons of sketches, etc., where practical. If practicable, submit sketches in suitable styles for blueprinting or photostating.

Report No. 246  
Japan  
November 6, 1939

Alleged Anti-Japanese Attitude of U.S. Navy - Press Reports of

During the past few weeks there have been a number of references in the Japanese press to the anti-Japanese feeling which is reported to be widespread in the United States Navy.

The first mention of this attitude was in the press reports of an interview which Mr. Y. Suma gave to newspaper reporters shortly after his return to Japan from Washington where he was Counsellor in the Japanese Embassy. Mr. Suma was quoted in the press as stating that among United States naval officers, particularly the younger officers, anti-Japanese feeling was very strong. According to Mr. Suma, one of the watchwords of these younger officers is "Remember the PANAY". These remarks were widely quoted and attracted considerable attention in Japan. It should be noted that Mr. Suma is now Foreign Office spokesman, one of the most important and influential posts in the Foreign Office.

Since Mr. Suma's press interview, obviously inspired articles have appeared in the Japanese papers elaborating on this general theme. One such article, which is typical, appeared simultaneously (10 October) in Hokkaido, Tokyo and Osaka papers and is summarized below. In all papers these articles appeared on the feature page and were unsigned.

The article which appeared on 10 October begins by pointing out that the world is now involved in a second war and that the participation of the United States is only a question of time. The United States, having assumed the responsibility for the protection of British and French interests in the Far East, is counting on her Navy to carry out her policies. The position of the Chief of Naval Operations is, under these circumstances, of the greatest interest and it is important to know the character of this man especially at a time of strained relations between the United States and Japan. Admiral Stark's naval career is reviewed at some length and it is pointed out that he is eleven years younger than his predecessor, was chosen over the heads of many senior officers, and is a man of very fixed opinions. He is, according to the article, a member of the anti-Japanese "die hard" group of the United States Navy and the real author of a statement said to have been made in 1931 by Admiral Pratt to the effect that "the United States must be prepared in the future to help China and to fight Japan". The mottoes of the American Navy today are "Remember the PANAY" and "Use the big stick". The article concludes by stating that the future is unknown, and it is impossible to state definitely that Admiral Stark will continue in his anti-Japanese attitude, but that it is significant that at this time a man such as Admiral Stark has been appointed Chief of Naval Operations.

There can be no doubt that the above article was prepared and disseminated by the Publicity Section of the Japanese Navy and it appears probable that similar press releases can be expected from time to time.



General Intelligence Summary - Political.

In the short space of two months which have passed since the Abe Cabinet was formed it has had to meet and attempt to solve a number of difficult problems. These attempts have been only partially successful, and the Cabinet has already suffered considerably in prestige. As a result of a number of mistakes on the part of the Cabinet there have been the usual rumors that it would resign, but there is no reason to believe that this will happen in the near future, and at the same time there is no reason to believe that any other Cabinet which might be formed would be any more successful than the present Abe government.

Japan's present position, domestically and internationally, is a difficult one. The difficulties which face this government are largely those inherited from the Konoe and Hiranuma governments, intensified and magnified by the strain of more than two years of hostilities with China, the outbreak of the European war and the possibility that the United States will take economic action against Japan in the very near future. Whether the Abe Cabinet - or any other Cabinet - can solve these various problems remains to be seen, but it is becoming obvious that General Abe and his colleagues have no clear cut or positive plan to handle any of them. The general policy seems to be to "wait and see" what will happen, and then to try to find a solution.

Japan's basic domestic problems are centered in attempts to bring the China affair to a successful conclusion before the European war ends. According to the Japanese, the "affair" has now passed out of the military stage and has entered the political stage - although further military operations will be necessary before peace is really brought about. Japanese strategy aims at:

- (a) Cutting off military supplies to the Chungking government.
- (b) Continuance of military operations to clear up the occupied areas.
- (c) The destruction of the Central Armies and Army bases by air attacks.
- (d) The formation of a new Central Government which will be Japanese controlled and dominated.

The policy of the Abe Cabinet in regard to foreign affairs was announced on 4 September when the Premier stated that Japan would not become involved in the European war but would concentrate her efforts on the settlement of the China affair. In a subsequent statement (13 September) it was announced that Japan would hold fast to her independent position, would endeavor to develop the national economy and bring about "solidarity" between Japan and Manchoukuo and new relations between Japan and China. The "immutable" policy for the settlement of the China affair was reaffirmed, as was the intention to render active and positive support to the New Central regime which was about to be set up in China. This immutable policy is that announced by Prince Konoe in December 1938, (which has received Imperial sanction), setting forth Japan's peace terms to China. These are:

- (a) Adjustment of relations between China and Manchoukuo.
- (b) Conclusion of an agreement of common defense against communism (including the stationing of troops at special points in China and the designation of Inner Mongolia as a special defense area).
- (c) Sino-Japanese economic collaboration based on the principle of equality.

In connection with these terms the Japanese Government has affirmed that Japan desires no territory or indemnity from China, and that Japan is ready to respect China's sovereignty. However, it is believed that these terms will be found as acceptable now by the Chinese as they were in December 1938 when they were first announced. The Japanese feel also that this is the case.

In order to assist in the formation of the New China regime and in order to try to settle the differences among the Army leaders as to the extent and the powers of the government, the major Army commanders in China were replaced during September and the Army command was unified under General T. Nishio with Lt-General S. Itagaki (former Minister of War) as Chief of Staff. While no doubt much is being done in the way of preparation for the New Regime, little is known in Japan as to what is actually being accomplished. However, it is noted that even the most optimistic Japanese do not feel that peace will be made after Mr. Wang Ching wei forms his new government, nor do they feel that the Chungking government will capitulate in the near future.

In order to meet the demands of the China incident the Cabinet is being forced to take additional steps for National Mobilization. Up to the present time Japan's economic structure has been on a "part wartime" basis, with only those materials essential for wartime industries being controlled. This was possible because there was a large reserve of ordinary commodities. Now these accumulated resources and reserves are approaching exhaustion, and it is necessary to put the country on a full time war basis, to start an intensive campaign to cut down general domestic consumption (even in locally produced foodstuffs) and to concentrate all national resources on the munitions and export industries. Under present conditions, Japan must try to solve the following problems successfully:

- (a) Provide a smooth supply of war materials.
- (b) Increase the production of munitions.
- (c) Increase the production of export commodities.
- (d) Improve trade relations with countries outside the yen bloc.
- (e) Reduce imports to a minimum consistent with (a), (b) and (c) above.

The above must be accomplished without exhausting Japan's stocks of gold or foreign credits, and without increasing taxes to the point where the Japanese people will begin to break under their economic burdens. It must be attempted in the face of numerous lost markets and rising commodity prices. As has been pointed out these are difficult problems but the government is going ahead with plans to cope with all of them. Warnings have been issued to the people that they must endure greater hardships in the future, and that greater sacrifices than have already been made, will be necessary. There can be no doubt about the patriotism of the Japanese people or their willingness to endure hardships for the sake of the Empire. It is probable therefore that the Cabinet's policy, or rather the Army's policy, will be carried out to the limit of the nation's ability.

The foregoing should probably be discussed under international relations and economic forces, but it is considered that Japan's internal political situation is so bound up with her China policy and her economic problems that they might properly be discussed in the political section of this summary. Other recent developments in the international situation and in regard to Japan's economic and financial problems are discussed in another section of this summary.

Reference has been made to the fact that the prestige of the Cabinet is already at a low point even though it has been in power only two months. This is due to a series of mistakes which have been made over what should have been relatively minor administrative details which should have been arranged without difficulty. The first mistake involved the Cabinet with the Privy Council over the question of the extension of the Prime Minister's powers; the second involved the Cabinet with the agricultural organizations over the appointment of a Minister for Agriculture and Forestry and the third involved the Cabinet with the Foreign Ministry in a dispute over the formation of a Trade Ministry. In the second and third instance the Cabinet has had to revise its original program and, by being forced to do so, has lost a considerable measure of public confidence. The Minister of War, General S. Hata lost no time in bringing to the attention of his colleagues the Army's displeasure over the manner in which these details had been handled and expressed the Army's intention to do something "firm" if the Cabinet did not get a better grasp on the major problems confronting the country "instead of engaging in minor disputes which tended to weaken the Cabinet's prestige as well as the people's determination.

Preparations for the coming session of the Diet are being made, and the governmental budget estimates are being prepared in the final form. According to the estimates which have been published the general budget will be approximately ¥4,800,000,000 with approximately ¥5,000,000,000 for the Armed services and the China affair. No opposition from the Diet or from the people is expected but in order to strengthen the Cabinet's position with the political parties the appointment of two additional Cabinet members is being considered. The Cabinet has already been strengthened by the appointment of Admiral K. Nomura (Ret) as Foreign Minister and Count T. Sakai as Minister of Agriculture and Forestry. Admiral Nomura's appointment has met with almost universal approval in Japan where it is believed that he will be able to "adjust" relations with the United States at this critical time in Japanese history.