

in favor of the manufacture and use of poison planes. However, subsequent reports state that the Germans have taken over complete control and command of the Italian Air Force because of [109] the sinking of the big convoy on November 8 when many German soldiers were drowned. Mussolini was said to have acquiesced to the German demand and, rather than submit, General Priolo resigned.

General Fougier is only a figure head, and it is reported that he is not respected by the Air Force. He was a protégé and satellite of the late General Datto and commanded the 3rd Italian Air Fleet.

HEWITT INQUIRY EXHIBIT No. 10

In reply refer to No. Op-16-2

NAVY DEPARTMENT,
OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
OFFICE OF NAVAL INTELLIGENCE,
Washington December 1, 1941.

Memorandum for the Director

1. Attached hereto is a resume of the outstanding military, naval and political moves made by Japan during the past two months. No effort is made to draw conclusions in each instance but a view of the general situation would indicate that the principal preparatory effort has been directed by the Japanese looking towards, first: an eventual control or occupation of Thailand followed almost immediately by an attack against British possessions, possibly Burma and Singapore.

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MEMORANDUM FOR THE DIRECTOR

DECEMBER 1, 1941.

Army preparations

Starting about 1 October and continuing until about the middle of November the Japanese shipped out of the port of Shanghai alone a large quantity of military supplies. Vessels carrying this equipment were seen headed South or Southwest. The equipment consisted of all sorts of military stores and equipment, a large number of landing boats being particularly noted. Other especially noteworthy items consisted of a considerable number of tanks and trucks, quite a few of which were camouflaged green; considerable railroad equipment, particularly locomotives and rolling stock. While a few troops were taken out at this time these ships principally carried equipment. Starting about 15 November the character of the shipments underwent a marked change. From 15 to 21 November large transports took out of Shanghai alone some 24,000 fully equipped veteran troops, while an additional 30,000 were reported as being withdrawn from North China reputedly destined for Formosa. From 21 to 26 November 20,000 troops were landed at Saigon and 4,000 at Haiphong which with 6,000 troops already there were sent South to Saigon and Cambodia by rail. All wharves and docks at Naiphong and Saigon are reported crowded with Japanese transports unloading supplies and men. It is estimated that the following Japanese troops are now in French Indo-China ready and equipped for action.

(a) South and Central Indo-China-----	70,000
(b) Northern Indo-China-----	25,000

The landing of reinforcements continues and additional troops and supplies are undoubtedly available on nearby Hainan Island and more distant Formosa.

Naval preparations

Starting about 1 October and continuing through November extensive naval

preparations have been made. The following are the high points of this preparation:

(a) All possible ships have been recalled to Japan for a quick docking and repair check up that has now been completed.

(b) Some additional naval aircraft strength has been sent to the Japanese Mandate Island area.

(c) An air and surface patrol was established on a line between the Marshall Islands and the Gilberts. Guam was placed under air and submarine observation.

(d) The CinC 2nd Fleet organized two task groups, both rather loosely knit organizations; group No. 1 to operate in the South China Area and group No. 2 to operate in the Mandate Islands area. This organization is about finished and the CinC of the 2nd Fleet expects to be in Southern Formosa by 3 or 4 December.

(e) The CinC of the Combined Air Force has just completed an inspection of all outlying naval air groups, particularly those in the Mandates, South China and Formosa.

(f) Many merchant vessels have recently been taken over by the Navy and at least three of these have been equipped as antiaircraft ships.

Political preparations—1 October–30 Nov.

Japanese residents particularly women and children have been evacuated from

(a) British India and Singapore

(b) Netherlands East Indies

(c) Philippines Islands

(d) Hongkong

(e) Australia

(f) Many Japanese residents have recently withdrawn from the United States, Canada and South America.

Preparations have been made to shift the center of the War Intelligence and Espionage net covering the Americas from Washington to Rio de Janeiro, Brazil. Japanese Embassy at Rio de Janeiro has been equipped with short wave radio transmitter.

Great stress has been laid on establishment of espionage net in Thailand and Singapore as follows:

(a) Japanese consulate at Singora is manned by 4 Army Intelligence Officers.

(b) A consulate has been established at the northern railhead of Chiangmai.

(c) Army communication personnel and equipment is present at Singora, Bangkok and Chiangmai.

(d) Four Army and Navy officers under assumed names have been sent to the Embassy at Bangkok. The Ambassador has received instructions not to interfere in the work of these men.

(e) A chain of drug stores manned by intelligence agents is in process of establishment.

(f) Japanese Army doctors under assumed names are in the hospital at Bangkok.

(g) At the end of November 60,000 Bahts were sent in gold to the Ambassador at Bangkok with instructions to hold it for emergency intelligence use.

(h) At least two sabotage agents have been sent into Singapore.

In French Indo-China the Japanese military has taken over many police functions. Many Chinese and Annamese are being summarily arrested. At the end of November Japanese Ambassador Yoshizawa queried his government as to whether he and his staff should take over the governmental functions of French Indo-China or continue to function through the front of the French Government General.

The Consul General at Shanghai has informed his government that all preparations are complete for taking over all physical property in China belonging to Britain, Americans and other enemy nationals.

The Army General Staff sent urgent requests for information for U. S. and Dutch troop and plane strengths and dispositions in the Philippines and Netherlands East Indies.

Special Ambassador Kurusu sent to the United States to conduct negotiations with the United States.