

EXHIBIT NO. 81

O. N. I. No. 197

NAVY DEPARTMENT
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON, D. C.

December 6, 1941

MEMORANDUM FOR the Director
Assistant Director
Subject: Burning of Secret and Confidential Codes
and Ciphers by Japanese Embassy

I was informed from a reliable source last evening that the Japanese have destroyed by burning their confidential and secret codes and ciphers.

It is probable that the Japanese Embassy has retained one copy of one secret or confidential code for emergency use.

Respectfully,

Arthur W. C. Davis
Arthur W. C. Davis

Confidential

MSB-7BE + F-2 verified

Op-1:

SECRET

December 5, 1941

SECRETMEMORANDUM FOR THE PRESIDENT

Subject: O.N.I. estimate of Japanese Forces in Indo-China, and adjacent areas.

25,000 men in Tonkin Province (North)
 50,000 Men in Southern Indo-China
 100,000 men.....TOTAL

90 planes near Hanoi (North)
 160 planes Southern Indo-China
 250 planes.....TOTAL

NAVAL FORCES

At Camranh Bay or vicinity	1 Heavy Cruiser 1 Converted Seaplane Tender 2 Submarines 20 Transports or supply vessels.
At Saigon	2 Destroyers
Indo-China Coast	1 Light Cruiser 1 Mineslayer
In the general Hainan-Formosa area	1 Heavy Cruiser 2 Light Cruisers 4 Destroyers 10 Submarines 2 Aircraft Tenders 1 Submarine Tender 1 Mineslayer 20 (approx.) transports or supply vessels.
In supporting distant areas:	
On Hainan	20,000 men and 200 planes.
On Formosa	40,000 men and 100 planes.

A 2

Copy No. 7

In reply to No.
Op-16-F-2NAVY 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.

A.H. McCollum.

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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 25 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 Haiphong 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 Japan to 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 3rd and 4th fleets 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 organ-

ization is about finished and the CInC of the 2nd Fleet expects to be in Southern Formosa by 3 or 4 December.

(c) 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 anti-aircraft 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) Philippine 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 not 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 railroad 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 British, 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.

Op-16-F-2

NAVY DEPARTMENT
Office of the Chief of Naval Operations
Office of Naval Intelligence
Washington, D.C.

November 1, 1941

Memorandum for the Director

SUBJECT: Dispatch from Alusna, Chungking, 344856

1. In this dispatch Major McHugh assumes that a Japanese drive from northern Indo-China to cut the Burma Road is imminent. He further states that the only hope of blocking this drive would be active participation in the campaign of all American and British Far Eastern air units which would require foreign (presumably American) seizure and control of means of transportation and air fields in Yunnan province.

2. In a message which the American Ambassador states is now being forwarded to President Roosevelt, Chiang Kai-shek states that the Japanese will launch a drive to cut the Burma Road within 30 days. He takes a somewhat less serious view of the situation than does Major McHugh. Chiang says that he has land forces adequate to defend the road but will need air support. He indicates that he desires aid from British and American air effectives in Singapore and Manila in a voluntary status. He says nothing about foreign control of Chinese air fields and Chinese means of communication.

3. Considering the extreme difficulty of the terrain between the Indo China border and Kunning, it is believed that the Chinese, if they fight and are given some air support from Britain and America, can halt this Japanese drive. The Japanese now have less than 100,000 men in Indo-China. How many they can transport there in the next 30 days is problematical, but it is considered that they cannot maintain their present concentrations (which threaten Russia in the North), maintain their present garrisons in China, and at the same time spare more than 200,000 troops for the drive into Yunnan.

4. The real question here is: Will the Chinese fight? In this connection there have been many rumors that Lung Yun, Governor of Yunnan Province has sold out or soon will sell out to Wang Ching-wei. If this happens there is little that Chiang Kai-shek, the British, or the United States can do to save the Burma Road. This rumor, however, lacks confirmation.

5. Chinese character should also be taken into consideration. When aid is promised to them they have a strong tendency to stop fighting themselves sit back, and wait until the aid arrives. For this reason it might be well not to promise them too much. One other point should be mentioned. What Major McHugh recommends is war-like action by the United States and Britain against Japan - in short, de-facto war with Japan. If we are going to fight Japan, rather than transporting our men and equipment to far-off West Yunnan province, thus placing ourselves under all the handicaps of difficult transportation, it would seem more sensible to attack the Japanese supply lines and home bases from our already established bases, thus diverting their attention from the Burma Road.

V. H. McCollum

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Op-16-P - Copy No. 3 Op-16 - Copy No. 5

Op-10/11 - Copy No. 4 File - Copy No. 6

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To reply refer to Initials
and No.

Op-16-F-2

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

October 21, 1941.

MEMORANDUM

SUBJECT: Summary of the Far Eastern Situation.

1. The ultra-nationalistic element of Japan has seized control of the Government and is prepared to push collaboration with the Axis powers and the opposition to the democracies to the ultimate extent.
2. At the present time Japan has about 684,000 troops in Manchukuo, Korea and Inner Mongolia in a position to attack Siberia. There is every evidence that due to the recent weakening of Russian forces the Japanese have the position and strength to attack Siberia. The Japanese armies in China are bogged down and a stalemate has resulted with neither side capable of obtaining a decision.
3. Economically food is not a problem for Japan but in order to supply her war industries which are essential for her present war effort Japan must have access to over-seas markets or must open up an over-land supply route to Europe through Russia. Failing in either of these two alternatives, she must face a situation in which she will see her total war effort gradually decline which must eventually result in her eviction from the Asiatic continent and her decline as a world power.

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In reply refer to Initial
and No.

Op-16-F-2

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

October 21, 1941

Memorandum for the Chief of Naval Operations

SUBJECT: Far Eastern Situation.

1. The Political Situation - Japan

With the advent of the Tojo Cabinet Japan swings back to closer Axis ties under the aegis of the jingoistic military clique. Although Tojo's Cabinet retains a balance between the comparatively conservative Navy members and the more radical Army there are remaining a number of old wheel horse politicians. The report that General Tojo is filling the Home Ministry and War Portfolios in addition to the Premiership indicates clearly however that the Army intends to take the reins of the Government, and such being the case, the intimation is clear that positive action detrimental to United States' interests may be expected.

2. The Economic Situation - Japan

The basic weakness in Japan's economic situation is her lack of raw materials to feed her war industries. She depends on overseas imports for 65% to 100% of her supplies of nickel, cotton, rubber, molybdenum, aluminum, lead, mercury, oil, tin, mica, iron; this dependence is partly offset by stockpiles, particularly oil, molybdenum and aluminum, but existing stocks of other items are not sufficient to meet current requirements for more than six months. A basic restriction on expansion of Japan's industries is the lack of machine tools, precision instruments, refinery installations, and workmen skilled in producing and installing these items. The living standards of Japan's industrial and agricultural workers reflect the condition of Japan's foreign trade, particularly the export of silk and the import of industrial raw materials. The steady decline of foreign trade has caused the living standards of the entire nation to deteriorate. On the other hand, Japan is 97% self-sufficient in basic food items; in recent weeks, however, the government has completed elaborate plans for increased restriction of food consumption and for admixture of substitute and synthetic foods and drinks; plans have been made also for nationwide distribution of 150,000,000 pieces of canned goods and for distributed storage of rice, biscuits, canned fish, and vegetables. In brief, Japan is not prepared to feed her war industries for a period exceeding six months if a blockade closes her main overseas routes; she is prepared, however, to provide for an indefinite period staple food supplies.

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3. The Military Situation - Japan

There are reliably reported to be 684,000 Japanese troops in Manchukuo, Korea and Inner Mongolia. These forces are disposed for an attack upon Siberia. Russian strength east of the Baikal Lake is believed inferior to these Japanese concentrations.

There are slightly over half a million Japanese troops in China Proper. Three limited objective Japanese offensives have been carried out or attempted in China during the last month. Japanese planes continue an intensive bombing of points in unoccupied China. Japan shows no indication of giving up any important points in China or relaxing her efforts to crush the Chiang Kai-shek regime.

There are roughly fifty thousand Japanese troops in Indo-China. These units are not disposed for an attack on Thailand. It is reported, however, that Japan plans to double this force in the near future and some of these reinforcements may have already arrived at Haiphong.

The dry season in Thailand begins in November and lasts until April. Japan launched her 1904 war against Russia on February 1 and attacked Manchoukuo in late September. The Nipponese seem to prefer winter campaigns in this area. Thus, both to the north and south, weather conditions are favorable to military operations. In Japan Proper, training of reserves continues. The maximum of Japanese manpower is being placed on a war footing.

4. The Naval Situation - Japan

The naval forces of Japan may now be considered to be fully mobilized for imminent action. All forces not urgently required in the Mandates and the Asiatic continent have been called back to home waters and during a period of recent marked inactivity extensive personnel changes have been carried out and mobilization plans probably completed.

5. The Military Situation - China

Chiang Kai-shek has at least one million men under arms. There are almost half as many guerrillas back of the Japanese lines. China's army lacks almost everything except manpower and small arms. It has practically no offensive striking power, but possesses considerable defensive strength. For almost three years the Sino-Japanese war has been a stalemate broken only by occasional limited Japanese offensives designed to break up Chinese concentrations close to Japanese lines. The stalemate is likely to continue for a long time because:

- (1) Japan cannot annihilate the Chinese army.
- (2) The Chinese cannot drive the Japanese back.
- (3) No mutually satisfactory basis for peace has been suggested.

U.S. help to China on the scale now planned will greatly raise Chinese morale and make more effective China's war of attrition. The possibility of a Chinese offensive actually recapturing territory strongly held is, however, still far distant.

6. French, Indo-China

Vichy and the Colonial Government are beginning to resist Japanese demands. It is not believed that they will be successful in these efforts, and Indo-China may be considered virtually under Japanese domination.

7. Thailand

The Thai Government is resisting Japanese pressure and will probably fight if the Japanese invade the country. They have an army of about 70,000, backed by some 200,000 reserves. Their air force and navy are negligible. However with British help they could give the Japanese a lot of trouble. At least it is believed that the conquest of Thailand, aided by the British, would develop into a major military campaign. It is not believed that Japan has the strength to carry on major campaigns in the north and the south simultaneously.

CC - Op-16
Op-16-F
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NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.
Op-16-P-2

September 25, 1941.

MEMORANDUM TO ADMIRAL TURNER

SUBJECT: Far Eastern Situation

JAPANESE ARMY

An analysis of all available reports indicates that there are in Manchoukou, Korea and Inner Mongolia about 500,000 Japanese troops. Movement of Japanese units from Japan and China to these territories continues. Within the territories feverish movements of men and supplies, designed to place forces in position to attack Russia, have been proceeding since shortly after the outbreak of the Russo-German hostilities. Recent relaxation of restrictions, permitting some railroad travel by civilians, leads to the belief that military preparations are nearing completion. Russian strength east of Lake Baikal is believed to be less than these Japanese concentrations.

In Indo-China there are roughly 50,000 Japanese soldiers. The Japanese are strengthening their positions here and working on long range plans to occupy the region permanently, but they are not ready to attack Thailand, nor are they making sound logistic preparations for such an attack. The forthcoming Japanese maneuvers near the Thai border are believed more of a political than a military gesture.

Half a million Japanese troops remain in China proper. Japan is at present conducting three sizable offensives against Chiang Kai-shek's men and during the last two months has greatly intensified her bombing raids. It is plain, therefore, that Japan intends neither to give up any important points in China nor to relax her efforts to destroy Chiang's regime.

Training of reserves continues in Japan. The maximum of Japanese man power is being placed on a war footing.

The Japanese Army is, in brief:-

1. ready, or nearly ready, to strike at Russia.
2. Continuing the campaign in China.
3. Not in position for a southward drive.
4. Preparing for a maximum effort.

JAPANESE NAVY

Recent dispositions of the Japanese naval forces afloat have shown a marked transfer of interest from the south, in waters off China and Indo-China, to some waters. The entire Third Fleet has been withdrawn from blockade duty off the China coast back to home ports. With the exception of certain minor operations of light craft in the Japanese and more recent submarine operations off the southern coasts of Japan, the Combined Home Fleet has been inactive, undergoing extensive personnel changes. This personnel reorganization which is not normal for this time of year, may be interpreted to mean that preparations are being made for an emergency

(6)

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requiring employment of all naval forces. Remaining in China waters and off Indo-China now are only the regularly stationed 1st (Central), 2nd (South) and 3rd (North) Expeditionary Fleets, augmented by the so-called Special Expeditionary Fleet consisting principally of auxiliaries servicing the occupation forces in Indo-China.

Naval shipbuilding remains shrouded in secrecy, but it has been reasonably well established that two (2) new carriers have been or are being commissioned, one light cruiser has recently been added to the forces afloat, and within the past year five destroyers and at least one submarine have been completed. Lack of materials has in the recent past retarded the building program and is undoubtedly an increasing handicap. One new battleship may be nearing completion, but there is no conclusive evidence to this effect.

CHINA

Counting provincial forces and Reds, Chiang has at least one million men under arms. There are almost half as many guerrillas back of the Japanese lines. China's army lacks almost everything except man power and small arms. It has practically no offensive striking power but possesses considerable defensive strength. Unless the Japanese greatly increase their forces, they will not be able either to drive to Kuming and cut the Burma Road or to capture Chungking. It is doubtful if they could capture Chungking in any event. Chinese skill in guerrilla operations and attrition warfare is such that Japan cannot measurably reduce her present garrison in China without shortening her lines and giving up territory.

For almost three years the Sino-Japanese war has been a stalemate, broken only by occasional limited Japanese offensives designed to break up Chinese concentrations close to Japanese lines. These offensives succeed, but the concentrations always reform. The Japanese are at present engaged in such an offensive in the Mutai Mountain district of Shansi, - their 20th drive in this area.

The stalemate is likely to continue for a long time because:

1. The Japanese cannot annihilate the Chinese armies.
2. The Chinese cannot drive the Japanese back.
3. No mutually satisfactory basis for peace has been suggested.

U.S. help to China on the scale now planned will greatly raise Chinese morale and make more effective China's war of attrition. A Chinese offensive actually recapturing territory strongly held is, however, still far distant.

FAR EAST POLITICAL-MILITARY-ECONOMIC SITUATION

All phases of Japanese economy have been or are rapidly being placed on a totalitarian war footing. The Japanese army and navy are preparing for supreme emergencies. By taking virtual control of the army the emperor may be either (a) insuring cooperation of the army with the foreign policy of the government or (b) taking the final step to prepare the nation for a totalitarian military effort. By getting rid of Matsuoaka, initiating negotiations with the U.S., and appointing two conservatives, Yawada and Toyoda, as head of the army and foreign service respectively, Nippon is inclining away from the Axis and towards the democracies. Japan acquired Indo-China partly as a result of joining the Axis and the Axis nations have recognized Manchukuo and Nanking. Tokyo may reason that the Axis has nothing more to give her and can now be dropped.

What Japan will do depends on a number of factors, chief of which are:

1. Progress of fighting on the Russo-German front. If Russia collapses Japan would be strongly tempted to take Szechuan and the Maritime Provinces. Germany's successes in the Ukraine have strengthened the pro-Axis groups in Japan.
2. Japan's economic situation. She must get basic war materials, including oil, iron ore, scrap iron and cotton. Her most immediate serious shortage, rubber, has been alleviated by her conquest of Indo-China. It is believed that Japan's reserve stocks of other materials will permit her to sit on the fence between the Axis and the Democracies for several months.
3. The progress of her U.S. negotiations. It is not believed that Japan will agree to withdraw her forces from China on a fixed date, or from Indo-China at all.
4. The progress of the naval war in the Atlantic. The President's "shooting order" committed strong units of the American fleet to operations in the Atlantic. This delighted the Japanese who would like to see the entire U.S. fleet committed there. If in future we are compelled to transfer additional vessels to the Atlantic we may anticipate that each such transfer will be followed by a stiffening of Japan's attitude towards us.
5. Weather Conditions. Japan started her campaign against Manchukuo in September and her 1904 war against Russia in February. In spite of some obvious disadvantages the Japanese seem to prefer winter campaigns in this area, probably because the frozen ground makes widespread operations possible.

In Thailand the dry season lasts from November to April, the wet season from May to October.

Thus both to the north and south winter campaigns are feasible.

The undersigned believes that Japan will:

1. Continue the negotiations with the U.S., but not yield on any points which she considers would endanger the "East Asia co-prosperity sphere".
2. Watch closely the Russo-German fighting and the naval warfare in the Atlantic.
3. If Russia collapses, attack Siberia.
4. If the bulk of the U.S. fleet is withdrawn to the Atlantic, strike south. She does not expect this development but could quickly exploit it.
5. If Russia is still resisting strongly by December, wait, at least until late next spring, before taking any decisive action.

R. A. Boone.

Distributions:

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p-16	- Copy No. 2
Op-16-F	- Copy No. 3
File	- Copy No. 4

(Memo attached from Capt. Kirk for SARDAI PLATTY)

"This has been said up to await events.

I urge it be signed as we (ONI) need
time now, to get all set in advance
of trouble.....a.g.k."

(In a.g.k.'s handwriting)

2-24

(A-4)

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.
Op-16-F-2

July 2, 1941.

Memorandum for the Director

SUBJECT: Possibility of Early Aggressive Action by Japan.

1. The Commandant of the 3rd Naval District reports that a reliable informant close to Japanese industrial interests has stated that these interests expect Japan to make an aggressive move against Russia on July 20th. Too much credence should not be placed in this report as in the past the Japanese industrial and business community in New York has not proved to be a very reliable barometer of Japanese government action. Nevertheless the following factors would seem to indicate that some sort of action probably distasteful to the United States may be planned, namely:

(a) Since about June 25th there has been an absence of sailings from Japan of merchant vessels bound for United States East coast and gulf ports and if this trend continues, in about two weeks there will be no Japanese merchant ships in the Atlantic.

(b) Simultaneous recognition by the Axis powers of the Japanese-sponsored Wang Ching-wai government of China may have been procured by Japan's promise to take aggressive action against the non-Axis powers.

(c) The announcement today that the Japanese government had decided on its policy in regard to the Russo-German war, coupled with the fact that publication of any policy whatsoever or comment on any such policy has been deferred, suggest the possibility that the policy may be other than the often publicized southward advance policy.

(d) Japan has for many years coveted the pre-Amur provinces of Siberian Russia, both as a security measure and for the natural resources of these areas.

2. The present disposition of the Japanese armed forces would seem to preclude the possibility of any sudden thrust against Russia. Their disposition and composition appear to be such that if any sudden aggressive action at all is planned, such action would be in the direction of further minor action against the South China coast or possibly directed towards seizure of additional bases in French Indo-China. Nevertheless the naval forces in particular may be re-Oriented in a very short interval of time and the situation is such that the possibility of Japanese action against Russia, though still considered unlikely, cannot be ruled out entirely.

CC -Op-16-F
Op-10/11
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Op-38W

Walter Dill Scott
ok *ape*

A. H. Lyell
A. H. Lyell

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In reply refer to No.
Op-16-F-2

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

File
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April 17, 1941

Memorandum for the Director

SUBJECT: British-Japanese Crisis.

1. On April 16, 1941, the Domei (Japanese) News Agency reported from Bangkok that repeated attacks by British troops on Thai territory along the Thailand-Malaya frontier caused the Thai government to lodge a protest with British authorities. Domei said the protest was announced by the Thai Foreign Ministry, and added that no further details regarding those attacks were given.

2. For some months past the Japanese have been concentrating troops at Formosa, Hainan Island and Kyushu. There has been a gradual shortening of lines in Central China, and movement of troops from this area to Formosa and Hainan Islands. There has been also a gradual reduction of Japanese troops in Korta China, which were in some instances replaced by Manchukuo levies. Within the last two weeks some 8,000 Japanese troops, 3,000 of whom had received special instruction in jungle warfare, left Indo-China for unannounced destinations. During about the same period, some 11,000 fresh troops from Japan arrived in Central China, and 11,000 veterans left Central China for Formosa. The Japanese Fleet is in home waters. A strong force is near the Palau Islands. It is probable that in case of a drive on Singapore, a strong flanking force would be maintained in the Palau Island area.

3. A report from the Naval Attaché, Tokyo, states that there are persistent rumors in Tokyo that Japan plans an early attack on Singapore. Although the Japanese deny this, credence is lent the story by the news that, among the severe blows suffered by Britain in the Balkans, Britain's permanent tonnage is suffering so severely that the question of American convoys is coming prominently to the fore. Some hope to keep the American Fleet in the Pacific and thus prevent the diversion of any American strength from the Pacific to convoy duty in the Atlantic would seem logical for the Axis to want at this time.

4. When taken into consideration Japan's new position with regard to Russia, whereby she apparently has a Russian guarantee of non-interference in case of a southward drive, it may be that the Domei article is the

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-2-

April 17, 1941

beginning of a Japanese drive on Singapore. Newspaper attacks have often preceded Japanese military attacks, and newspaper attacks invariably precede the military attacks of her Axis partners.

Wm. L. Sullivan
W. L. Sullivan

The Japanese fleets have
been marginalized, also.

CC - Op-16-1
Op-16-F

WLS

I do not agree that Japan
has decided to strike even
against Indo-China. See
my memo of 7-6-50
:282 RKT 40

NAVY DEPARTMENT
Office of the Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE

In reply refer to No.

Op-16-8-7

WASHINGTON

CONFIDENTIAL

April 17, 1941

MEMORANDUM for the Director

Evacuation of Japanese Nationals from Panama

The Commandant Eleventh Naval District (DIO) in a report of April 4, 1941, to ORI states as follows:

"The Los Angeles Japanese press under a Tokyo dateline of April 5, 1941, states that a large number of the colony of 800 Japanese have been forced to evacuate Panama due to that Republic's discriminatory laws against Japan. The Japanese Government is reported to be viewing the Panama Republic's attitude with great concern and is considering counter-measures.

"The item further states that it is apparent that the United States is behind the Panama Republic's anti-Japanese policy in an effort to hit at the Axis nations. The item also bitterly mentions anti-Japanese actions of the governments of Peru and Brazil, stating that the Japanese Government has attempted to keep the facts secret and avoid outbursts of public opinion in Japan."

Japanese Armed Merchant Men

Recent unconfirmed reports indicate that the Japanese Government is arming some of its best merchant ships with four to six inch guns. Specifically mentioned are the YAWATA MARU, NITTA MARU and HEIAN MARU.

The Commandants, Twelfth and Thirteenth Naval Districts, have been requested to inspect these ships upon arrival in their respective ports to ascertain the facts and report.

Japanese Oil Shipments from West Coast Ports

Commandant Eleventh Naval District (DIO) reported on April 9 that the Japanese are now purchasing quantities of petroleum products in drums and 5 gallon tins and shipping same on cargo vessels to Japan.

CONFIDENTIAL

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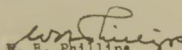
- 2 -

Op-16-B-7

April 17, 1941

CONFIDENTIAL

The Japanese Government has ordered all Japanese tankers to load oil hereafter at West Coast ports foregoing trips to Caribbean and Gulf of Mexico ports.


W. B. Phillips,
Captain, U.S. Navy

CONFIDENTIAL

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Office of Chief of Naval Operations

Op-16-F

SECRET

Situation Briefs
Serial No. 1

February 15, 1941

MEMORANDUM FOR THE DIRECTOR OF WAR PLANS DIVISION

SUBJECT: Briefs on:

- (a) Japanese Missions to Berlin, Rome
(Europe)
- (b) Japanese Observation of United States
Naval Movements
- (c) German Submarines and Raiders in the
Pacific

H. D. Bode
By Direction

Copy to:
Lt. Comdr. A. H. McCollum

Japanese Commissions to Berlin and Rome

Under date of December 21, 1940, the U. S. Naval Attache at Tokyo reported that the Japanese Government had officially announced that the political, military and economic commissions provided for in the Axis pact would begin to function in the near future. At the same time the Japanese Government announced the appointment of General Hiroshi Oshima as Ambassador to Berlin. It will be recalled that General Oshima was formerly Ambassador to Berlin and had been removed from his post shortly prior to the commencement of the European war in the summer of 1939 for being entirely too pro-German. It is undoubtedly as pro-German as he ever was and his appointment to Berlin has been widely interpreted in Japan as a vindication of General Oshima's action in urging a pro-German policy on Japan.

Pursuant to the Axis agreement the Japanese Foreign Minister on February 7, 1941 advised Berlin and Rome concerning the composition of the Japanese members of the political, economic and military commissions provided for in the Axis pact. The Japanese members of these commissions are as follows:

In Berlin

Political - Ambassador Oshima
 Economic - Minister Marashima
 Counselor Kase
 Commercial Advisor Kasai
 Military - Major General Sakantani
 Vice Admiral Nomura

In Rome

Political - Ambassador Hiroshi
 Economic - Counselor Ando
 Military - Colonel Shimizu
 Rear-Admiral Abe.

In Tokyo

Political - Foreign Minister Matsuda
 Economic - Vice Foreign Minister Sasaki
 Commerce Bureau Chief - " " "
 Military - Major General Mito
 Rear-Admiral Oka.

3. The U.S. Naval Attache at Tokyo on December 1, 1941 reported that Lieutenant General Tomoyuki Yamashita, Chief of the Japanese Army Air Corps, was proceeding to Berlin, together with a corps of experts for the purpose of making a comprehensive study of "Blitzkrieg" tactics and latest aviation technical developments. General Yamashita is said to have been accompanied by a large staff of technical experts and they departed from Japan on December 22, 1941 and proceeded to Berlin, Germany via Russia. It is reported that later on this Japanese military aviation mission intends to proceed to Rome.

4. The Japanese naval transport Asaka departed from Japan on January 16th bound for Lisbon, Portugal, transited the Panama Canal on February 7th and had on board a large Japanese naval mission to Berlin. The mission was headed by three Rear-Admirals, two of them specialists in technical naval engineering matters, while the other flag officer is a specialist in naval aviation matters. Most of the other officers comprising the mission appear to be experts on various technical, engineering and aviation matters. From this the presumption follows that the naval mission is largely technical in character and is designed to obtain information concerning German technical developments.

Japanese Observation of United States Naval Movements

1. Japanese consulates throughout the United States and its possessions have been instructed to make dispatch reports concerning U.S. naval movements. The Japanese Consuls along the West coast and at Honolulu have been particularly active in making these reports and Japanese naval officers are stationed at Seattle and at Los Angeles to assist the consuls in compiling these reports.

2. In June of 1940, the U.S. Naval Attache at Tokyo reported that Japanese submarines were said to maintain an observation patrol in the vicinity of the Hawaiian Islands and that the submarines were supplied from time to time by making contact with Japanese naval tankers at sea. The tracks of Japanese naval tankers moving between Japan and the West coast of the United States were plotted and it was found that most of them passed through a point just to the northward of the Hawaiian Islands and in this same area the tankers seemed to make very slow progress for a day or two leading to the presumption that it was in this general locality that contact was made between the observing submarines and their supply ships. This area was searched on several occasions and no contact with Japanese submarines was made. Repeated reports have been received, usually of a vague nature, that Japanese submarines have been seen operating off the West Coast of the United States, at various localities off the coast of Central America, and as far south as the Galapagos Islands. In several instances it has been possible to make a fairly comprehensive investigation of these reports and in these instances they have been found to be wholly without foundation. An analysis of the various reports concerning the operation of Japanese submarines in close proximity to the coasts of the Americas and the Hawaiian Islands leads to the conclusion that these reports are of doubtful reliability.

3. British Intelligence at Singapore reports that Japanese merchant ships are stationed at 100 mile intervals across the Pacific Ocean all the way from New Zealand to Lower California, that these ships make periodic reports to Tokyo on a frequency of 200 kilocycles. At our request the various radio calls used by the alleged Japanese station ships were furnished and it was determined that all of these radio calls were ones used by the naval transport ANZA while she was en route from Yokosuka to the Panama Canal zone.

German Submarine and Raider Situation in the Pacific

1. In the late summer of 1940 reports were received that the Japanese were turning over submarines to the Germans for use by the latter in attacking British commerce in the Pacific. These rumors have been carefully sifted and to date no evidence has been developed indicating that the Japanese have supplied to Germans with submarines. Furthermore, no sinkings or attacks by German submarines have been reported in the Pacific.

2. German raiders have been reported in the Pacific and there is a strong presumption that three such raiders are being supplied from Japanese sources. Latest reports indicate that these raiders were operating from bases in the Japanese Mandate Islands and attacking shipping to the southward of this general area. Several authenticated captures have been made and so far none of these raiders have been eliminated. At least one captured vessel, the Norwegian tanker Ole Jacob, in charge of a German Prize crew, made port at Kobe, Japan and sailed the next day after transferring prisoners to the German merchant ship Scharnhorst which has been in Kobe Harbor since the outbreak of the war. The evidence so far indicates that Japan is willing to furnish supplies to German raiders operating in the Pacific but this action has been taken with great circumspection and has been carefully concealed. No raider sinkings or captures in the Pacific have been noted during the past month.

3. Since early in 1940, there have been recurrent rumors, emanating (so it eventually appeared) from the same or parallel source, that Germans were transporting fabricated submarine parts to Vladivostok for erection at that port; that German officers were proceeding via Trans-Siberian to man German submarines at Vladivostok; that German officers were proceeding to Vladivostok to instruct Russians in submarine warfare and in the operation of submarines; and, finally, that German nucleus crews, consisting of warrant and petty officers, were being sent to Vladivostok for manning submarines, presumably either German-fabricated, Russian or Japanese. At the time of the receipt of these various reports and rumors, there was no evidence to either substantiate or definitely contradict any of them, except that two reports (one proceeding from British and another from another source considered by the Consulate at

(alleged to have been reliable) when finally investigated, were found to be without substance.

4. There has been no evidence, either direct or indicative, of German submarine activity, either erection of submarines or training of crews by German officers, at Vladivostok or at any other port in the Siberian maritime provinces.

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