

EXHIBIT NO. 139

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 Army Contact Office
 Honolulu, T.H.

Date: 17 October 1941.- 1200

G-2 ESTIMATE OF INTERNATIONAL (JAPANESE) SITUATION1. Summary of Situation

a. With the fall of the Third Konoye Cabinet, the 16th instant, tension in the Pacific reached a new high. The fall of said cabinet is apparently primarily due to a breakdown of the rapprochement negotiations between America and Japan, and also due to extreme pressure from the rightist elements in Japan as a result of German success against Russia, and also for fear of complete encirclement of Japan by the ABCD group.

b. The situation is generally admitted as being extremely critical, and is still necessarily uncertain, due to the fact that the formation of the new cabinet has not been completed and, consequently, little or no definite information is available as to the attitude of individual members, and nothing as to what the attitude of the cabinet as a whole will be.

c. Based upon contemporary opinions from various sources, however, it is fairly certain that Japan's basic policy, as heretofore frequently stated, will remain unchanged; and it is expected that Japan will shortly announce her decision to challenge militarily any nation or combination of nations which might oppose the execution of said policies - irrespective of what means she may choose to adopt or course she may decide to take in their achievement.

2. Conclusions

According to present indications, it is highly probable that Japan will, in the near future, take military action in new areas of the Far East. The primary reasons for such a move or moves are believed to be as follows:

a. Capabilities

1. Desperate economic conditions internally-making it perhaps preferable to risk a major foreign war rather than internal revolution.

2. Violent opposition by the "rightist" elements who are opposed to any appeasement of the democracies and desire more active cooperation with the Axis - for the time being.

3. That major successes of the Axis in Europe and the potential collapse of Russian resistance, afford an unparalleled opportunity for expansion with chance of minimum resistance - that is, when the strength of the Axis is at its maximum, and the strength of the democracies not yet fully mobilized.

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Handwritten signature and initials, possibly 'JF' and 'DPA'.

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4. A desire to break the so-called encirclement of the ABCD block.

b. Probable Moves. The most likely moves which Japan may make in the near future, and the sequence thereof, are as follows:

1. Attack Russia from the east.

2. Pressure French India-China and Thailand for concessions in the way of military, naval, and air bases, and guarantees of economic cooperation.

3. Attack British possessions in the Far East.

4. Defend against an American attack in support of the British.

5. Attack simultaneously the ABCD block at which ever points might promise her greatest tactical, strategic, and economic advantages.

c. Reasons Justifying These Moves. The basis for each of the above possible moves are considered to be as follows:

1. Attack on Russia.

(a) Japan's desire to extend her first line of defense as far to the west as possible as a primary defense against potential aerial attacks on the heart of Japan proper by a continental power.

(b) To set up a buffer state between herself and Germany (assuming that Germany will eventually attempt to extend her influence and control eastward to the Pacific.)

(c) To secure immense quantities of much-needed raw materials known to be in Siberia.

(d) To secure effective control over, or perhaps stamp out, communism in the Far East by striking at the root or source of the doctrine.

(e) A possibility that an attack on Russia at this time can be undertaken with a reasonable chance of non-military intervention by the United States; and that even the British might not resort to active military action in support of Russia in the Pacific, due to the fact that both the Americans and British are preoccupied in Europe, and that neither power has any genuine desire to ever see the state of the USSR emerge sufficiently strong to again plague the democratic states with the sinister ideals of communism.

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(f) To open communications with Germany for the purpose of closer coordination and supply, in case it becomes necessary to continue the war against other Pacific powers.

(g) To achieve a spectacular victory which is now greatly needed to revive the morale of the people and prepare them for future efforts toward the south.

2. Pressure French Indo-China and Thailand.

Pressure on French Indo-China and Thailand for concessions of military, naval, or air bases, and guarantees of economic cooperation, is entirely to be expected, and this may either precede or follow, or occur simultaneously with an attack on Russia, in order to insure security in the south while her primary objective in the north is being achieved; and to afford her more and better strategic bases from which she can operate against Chungking's lines of communication, and/or American and British lines of communications in case it becomes necessary to defend herself against either or both of these powers. Also, to secure additional raw materials, food, etc.

3. Attack on British Possessions in the Far East.

Following the principle of defeating one opponent at a time - famous with her Axis partner, Hitler - it is believed that Japan, if faced with certain British military resistance to her plans, will unhesitatingly attack the British; and do so without a simultaneous attack on American possessions, because of no known binding agreement between the British and Americans for joint military action against Japan, and that the American public is not yet fully prepared to support such action. However, it must be evident to the Japanese that in case of such an attack on the British, they would most certainly have to fight the United States within a relatively short time.

4. Simultaneous Attack on the ABCD Powers

While a simultaneous attack on the ABCD powers would violate the principle mentioned above, it cannot be ruled out as a possibility for the reason that if Japan considers war with the United States to be inevitable as a result of her actions against Russia, it is reasonable to believe that she may decide to strike before our naval program is completed.

An attack on the United States could not be undertaken without almost certain involvement of the entire ABCD block, hence there remains the possibility that Japan may strike at the most opportune time, and at whatever points might gain for her the most strategic, tactical, or economical advantages over her opponents.

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3. In conclusion, barring unforeseen and untoward incidents, which might set off a conflict in any quarter and invite measures and counter-measures never contemplated, it is believed that the above represents the most logical major moves that Japan may take and the probable sequence thereof. This is assuming that the new cabinet will be, as generally predicted, "strongly military" and will support the present demands of the "rightists" elements which were largely responsible for the fall of the Third Kenoye cabinet.

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 Honolulu, T.H.
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G-2 ESTIMATE OF INTERNATIONAL (JAPANESE) SITUATION

1. Summary of Situation. Reference paragraph 1, G-2 Estimate of the International (JAPANESE) Situation, 1200 Oct. 17, 1941, there have been no fundamental changes in the international situation, centering on Japan, since the time mentioned; and the estimate is still in almost complete accord with contemporary opinions of most high officials and reputable observers who are known to be in close touch with the various phases of the present fast moving situation. However, the following generally summary is considered appropriate at this time:

a. A crisis of the first magnitude was created in the Pacific by the fall of the Third Konoye Cabinet on the 16th instant. The fall of said cabinet was allegedly precipitated by unsatisfactory progress of the rapprochement negotiations between America and Japan, and by extreme pressure from "rightist" elements who have been clamoring for stronger ties with the Axis and more forceful opposition to the ABCD block, including Russia.

b. An apparently imminent collapse of the Russian forces in the west, together with the loudly proclaimed German successes everywhere, tended to accentuate the cry for action on the side of the Axis to such a degree that the Konoye cabinet could no longer resist, hence resigned en bloc, and was almost immediately replaced by a new cabinet headed by ex-War Minister, General Tojo.

c. Ministers of the new cabinet, as well as Premier Tojo, have openly declared their intentions of stronger ties with the Axis - which automatically underscores Japan's policies with "intensified aggression"; definitely places Japan in a camp hostile to the United States and other democracies; makes all protestations of peaceful intentions a sham or objective of suspicion; and forces America into a state of constant vigilance - but at least clarifies the situation to such an extent that we do know where we stand, what to expect, and what should be done.

2. Conclusions. No change in paragraph 2 of G-2 Estimate of 17 Oct. 1941. However, several important incidents have transpired, or are scheduled to take place, which are certain to have a profound bearing on the probable course of events in question in the near future. These are:

a. The formation of a new Japanese "War Cabinet", headed by ex-War Minister, General Tojo.

b. The decision of Premier Tojo to continue his predecessor's order to permit three Japanese vessels to visit American ports for the purpose of transporting stranded Americans and Japanese nationals to their respective homelands.

c. Premier Tojo's expressed desire to continue rapprochement negotiations with the United States.

d. The order by the navy department to American vessels to avoid Asiatic ports in the north Pacific, including Shanghai.

e. The announced decision of the American government to abandon Vladivostok as a port of entry for war supplies to Russia, and to adopt the port of Archangel as the sole point of entry for such shipments.

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f. Announcement of Ambassador Nomura's return to Japan for consultation with the new cabinet.

3. Justifications for conclusions. The following is a brief analysis and evaluation of the above, based on limited reports, and is not to be regarded as conclusive, but rather to assist in making accurate conclusions on the general situation as subsequent events and special situations are presented:

a. New Cabinet. Paragraph 1 g above is the general answer. The only other noteworthy viewpoint received, and considered to be worth mentioning, is that General Tojo was selected to head the new cabinet because he was the only man considered capable of controlling the "extremist" army elements, and thus stave off any precipitate action until such time as the situation in Europe has become definitely clear, and until at least a decisive stage has been reached in rapprochement negotiations with the United States.

b. Japanese vessels to America. The Japanese government's decision to permit three ships to visit America for the purpose of repatriating stranded nationals of both countries, may be regarded either as a peaceful gesture or as a measure to "clear the decks" in the Pacific with a view to future naval and military moves. It will be recalled that the Japanese were careful to remove Japanese nationals from the interior of south China before spreading military operations to that section. It is considered impracticable to remove all Japanese nationals from America and American territories.

c. Rapprochement Negotiations. Inasmuch as the new Japanese cabinet has openly declared its intentions of stronger ties with the Axis - definitely our enemy - we can only expect Japan to make a similar use of peace negotiations as her partner, Hitler, i.e., as a means to delude and disarm her potential enemies. From a military point of view such peaceful overtures should be preceded by concrete evidence of sincerity before they can be seriously considered.

d. Navy Order to Clear American Ships from North Pacific. This action on the part of the navy seems to have been largely "precautionary", which also appears fully justified - realizing that we are now definitely dealing with an exponent and ally of Hitler.

e. Abandonment of Vladivostok as a Port of Entry for Russian Supplies. Two issues are here involved:

(1) Military. The crucial point as to whether we will be able to continue to face Hitler across the English Channel, across the Atlantic, or on American shores, centers in the British Isles. Convoys must cross the Atlantic in order to hold the British Isles at all cost, irrespective of what happens in the Pacific. Convoys to Archangel, for the greater part of the distance, could be carried on incidental to convoys going to the British Isles. Requirements of armed escorts for the remaining distance to Archangel, would probably be less than what would be required over any Pacific route. In fact, with a hostile Japanese fleet in the Pacific, any practicable route across the Pacific to Russia may have been entirely ruled out. Assuming this to be the case, the most logical step would be not to undertake a thing that would certainly have to be abandoned later.

(2) Diplomatic. Inasmuch as the shipping of supplies to Russia via Vladivostok has been one of the major issues between America and Japan recently, the abandonment of said route may serve to keep the door of diplomacy open for a longer period; and, in case of an unforeseen major reverse for the Axis in Europe, might provide an open door for successful negotiations at a time when Japan desired to change her mind, seeing that further ties with the Axis are useless, and that a compromise with the democracies has become inevitable.

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f. Nomura's report to New Cabinet. This is considered a very normal procedure with the Japanese government. Mr. Nomura will be expected to give a review of his efforts in Washington and perhaps the last word on the American attitude. If his previous work is still in harmony with Japan's new policy, he may return to Washington. If not, it seems a fair assumption that he may not even be replaced. In case the abnormal procedure is followed, of dispatching a subordinate to Tokyo, it may be taken as an attempt to conceal the real gravity of the situation. This is not, however, a prediction.

* * * * *

REMARKS. Everyone is interested in the answer to the question, When will Japan move? - a question which no one dares predict with certainty. However, the following points are considered to be worthy of mentioning:

a. Things which tend to indicate that a major move will not take place for approximately another month are:

(1) The dispatch of Japanese vessels to the United States for return of stranded nationals of both countries to their respective homelands.

(2) Ambassador Nomura's return to Japan for purpose of reporting to the new cabinet.

(3) Repeated declarations by Japanese officials that Japan desires to continue rapprochement negotiations.

(4) Extreme cold over Eastern Siberia makes military operations against Russia very risky before spring.

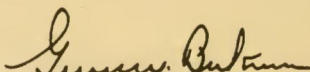
(5) A protracted Russo-German war seems much more likely now than it did immediately prior to the assumption of office by the new cabinet, and that the "rightists" who were crying for action against a "collapsing" Russia, may again hesitate to take the final plunge on the side of Hitler. If the intense cold plus a tired Russian army is able to stop the invincible legions of Hitler before Moscow (?), wisdom may dictate not to risk the matchless legions of Mippon against a rested Russian army under temperatures still lower than around Moscow.

(6) Announcement that Cabinet leaders have requested Emperor Hirohito to convoke a special five-day session of the Imperial Diet, beginning Nov. 15, at which time, it is predicted, the government will be asked to clarify its stand on international policies, particularly with reference to former Premier Koriya's message to President Roosevelt and the progress of the Washington negotiations.

b. In other words, it seems logical to believe that no major move will be made before the latter part of November - in any direction - with a chance that the great break, if it comes, will not occur before spring.

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