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7 Aug '50

From: Tokyo, Japan Report No: ZJI-404 Local File No: PD-091

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Report Made By: [ ] Approved By: [ ] ARB

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Source Cryptonym: [ ] References: ZJI-369 ; ZJLA-1083

Source, Operational Data, and Comments:

- [ ] was one of the "four staff officers" (see para. 1 of the attached report) present at the 3 August meeting of prominent Rightist intelligence figures, and he was also present at the second meeting discussed in para. 10 of the report. Through his efforts, the group has secured the use of three additional ships. Whereas his reports to date have been dependent upon incomplete information he could elicit from [ ] and others in the group, for the first time he finds himself in an excellent position within the planning group and will therefore be able from now on to report information at first-hand.
- [ ] has been unable as yet to procure specific information on the number, type, and specialties of troops being sent to Formosa and Indo-China nor has he been able to ask securely for anything but the most general information concerning their recruitment. Certain details which concern operations to Indo-China and the recruiting of troops have been withheld from this report pending verification and amplification. [ ] was to be called to another meeting on 6 August. Afterward, he and [ ] were to go to Shimoda to supervise final preparations for the loading and dispatch of the ships sailing from that port. He feels, and we concur, that it would be highly dangerous at this time to press for any details beyond those given to him by [ ] or divulged at staff meetings of the group. He has detailed directives of the specific information we would like to have but has been told to avoid any straining of his good cover position merely to secure the answers.
- The meeting discussed in para. 10 was conducted in rapid Shanghai dialect for which [ ]'s weak Mandarin Chinese aided him very little. All he was able to follow was the general outline of the conversation.

NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release by the Central Intelligence Agency Date: 2005

Classification

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FORM NO. FEB 1949 81-80

- EXEMPTIONS Section 3(b)
- (2)(A) Privacy
  - (2)(B) Methods/Sources
  - (2)(G) Foreign Relations

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Subject: Military and Intelligence Plans Report No: ZJL- 404  
of the Japanese Rightist Underground (PD-091)  
Date of Information: Up to 5 August 1950  
Place Acquired: Tokyo, Japan Date Acquired: 5 August, 1950  
Evaluation: B-2 except as stated Date of Report: 7 August, 1950  
Source:   except as stated

1. 3 August, 1950, a meeting was held by some of the top level Rightist leaders adhering to General UGAKI Insei and involved in the current plans of the Rightist Underground to dispatch ships to Formosa and to Indo-China. Vice Admirals KODAYASHI Shozaburo and KA AGUCHI Tadaaki, Lieut. General NIEMOTO Hiroshi, and Major General SATANABE Itaru were the leaders present; Colonel KAGAWA, Commander TUKUYA, four other staff officers also attended. General NIEMOTO had returned within the past two weeks from Formosa in order to work out details of shipping plans.
2. The main topics of discussion were the shipments of troops to Formosa and Indo-China, liaison possibilities to North China and to Korea, and the recent decentralization order from General UGAKI to his underground followers.
3. A fleet of twelve ships is scheduled for assembly, loading and readiness on 10 August. Sailing date for those ships leaving from Shinoda will be about 22 August; departure of ships from other ports will approximate this date. Rendezvous point is to be tentatively a spot to the south of Kyushu and east of the Tanega Islands group, from which point the ships will proceed separately to another spot just within the "MacArthur Line", the southern limit set for Japanese fishing boats. From that point on the fleet will travel together and will be met beyond the MacArthur line by elements of the Chinese Nationalist Navy and escorted into Chilung, \*Formosa, presumably after disembarking Japanese volunteer troops at an earlier rendezvous off shore.
4. The ships will have Japanese Board of Trade papers permitting entry to Formosan waters for purposes of legitimate trade. Tea is the registered cargo from Japan; bananas and sugar have been listed as cargo for the return voyage. The Chinese Nationalist Government Mission in Tokyo is the source of funds for rental of the ships. Most of the ships will be about fifty tons of the coastal steamer type, and rental fees for one month are 10,000 Japanese yen per ton. Each crew will consist of a captain, an engineer, five seamen and firemen provided by the owners and a troop commander and a radio and code operator installed by the Japanese militarists renting the ships. It is anticipated that ships going beyond Formosa to Indo-China will do so without permits, but with possible Chinese Nationalist protection for a part of the voyage.

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- W. 5. General NEMOTO will return to Formosa in August 1950 on one of the ships and will supervise disposition of Japanese volunteer troops there. Colonel TSUJI Masanobu went back to Indo-China in early June, stopping at Formosa a few days en route for conferences with NEMOTO.
6. In addition to the current voyage, the Japanese leaders themselves, apart from Chinese Nationalist support, are planning to make the following liaison trips as soon as sufficient capital can be accumulated to insure more independent action:

Area	Area Commander	Present Troop Strength Estimates		Method
		(D-3)	(D-3)	
Formosa	Lt Gen. NEMOTO	3,000 plus pilots	3,000 plus pilots	Chinese Nationalist financing and arrangement.
Indo-China	?	2,500	2,500	Clandestine shipping, Japan to Vietnam and Vietnam, <del>NEMOTO</del> <del>SAUNICHI</del> <del>NOBORA</del> and TSUJI Masanobu in charge.
Korea	Lt Gen. <del>KATO</del> <del>Hokujiro</del> (North Korean side)	2,000	4,000	Smuggling to Korea, Maj Gen. WATANABE Wataru in charge.
Manchuria	Lt. Gen. <del>HORMA</del>	40,000 (includes units from Siberia and in North China)	20,000	Intelligence Liaison from Indochina north via Vietnam by TSUJI and his agents; possible alternate route through North China and the Korea smuggling channels of WATANABE.

7. By direct order of General UGAKI, an apparent decentralization of Rightist organizations is to be effected. The decentralization order came from UGAKI personally, and General WATANABE made it quite clear that its purpose, as explained by UGAKI, was twofold:
- to calm American fears concerning the real strength and centralization of the Japanese Rightist Underground;
  - in case that either UGAKI or Admiral NOMURA may be removed in the near future from the "purge" list, extent of their underground backing and pseudo-military connections will not be evident.

SECRET

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- 8. Operations of the Rightist Underground are to be split into apparently independent agencies. Southern operations, i.e., to Formosa and Indo-China will be engineered with the logistic aid of the Chinese Nationalists; northern operations will depend greatly upon American tacit permission and backing. In both cases, some intelligence information will be furnished in return for support; however, especially in Indo-China and Korea, the particular interests of Japanese nationalism which might be served by dealing with Communist regimes are to be pursued without informing either the Chinese Nationalists or the Americans.
- 9. The organizations adhering to Lt. General ARISUE Seizo and TAHARA Ryuichi, including those of MATANABE Wataru and of General YAMAGUCHI in Saburo Hokkaido, most of YAMAGUCHI Goghichi (CHAI JIAN T Takao or Cozu)'s group, and most of TSUCHIDA Yutaka's National Peace and Independence Preparations Committee will supervise the northern operations. Lt. General NEHOTO, former minister to Indo-China, MATSUMOTO Masao, Lt. General OIKAWA Genshichi, Col. TSUJI Masanobu, Commander FURUYA, INAGIARA Toru of the Foreign Office, and former minister to Hongkong, BABA, (the last three named are from TSUCHIDA's Committee) will concentrate on southern operations. Admirals KAWAGUCHI and KOBAYASHI and Lt. General KAWADE Torashiro will be responsible for the overall secret coordination under UGAKI's personal direction.
- 10. Commander FURUYA met 5 August 1950 at the Tokyo Port with three Chinese Nationalists, one of whom was a member of the Chinese Nationalist Mission in Tokyo, to discuss terms of payment, salary for troops, escort and reception at Formosa of the ships being dispatched there in August 1950. Efforts were made by FURUYA to insure receipt from the Chinese of one-half of the guaranty money for ship rental in advance of the departure date. This was tentatively promised and further discussion will be held after 10 August when preparations for departure are underway.

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