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The information contained in this report was obtained by on 25 October 1955. On that date TSUJI gave a special speech as a guest speaker during the closed session of the Japan Ordnance Association Board of Directors' meeting, which was attended by Para. 8 should be evaluated in terms of this special audience.

It is requested that headquarters fully control the dissemination of this information because of the very limited number of people who had access to it.

Project:

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INFORMATION REPORT
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CSDB-36419

COUNTRY Japan/USSR/Communist China/Nationalist China DATE DISTR. 2 November 1955
 SUBJECT Observations of TSUJI Masanobu on the USSR and Communist China NO. OF PAGES 3
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GRADING OF SOURCE						COLLECTOR'S PRELIMINARY GRADING OF CONTENT					
COMPLETELY RELIABLE	USUALLY RELIABLE	FAIRLY RELIABLE	NOT USUALLY RELIABLE	NOT RELIABLE	CANNOT BE JUDGED	CONFIRMED BY OTHER SOURCES	PROBABLY TRUE	POSSIBLY TRUE	DOUBTFUL	PROBABLY FALSE	CANNOT BE JUDGED
A.	B.	C.	D.	E.	F.	1.	2.	3.	4.	5.	6.

THIS IS UNEVALUATED INFORMATION

SOURCE American businessman with contacts in Japanese defense forces and defense industries (B); from TSUJI Masanobu, Appraisal of Content: 2 (Reportorial accuracy).

Field Comment. TSUJI Masanobu, a former Imperial General Staff colonel, left Japan on 23 August and returned on 2 October 1955 as a Democratic Party member of the Dietmen's tour to the USSR and Communist China. The observations and interpretations given below resulted from that tour. See also FJD-2044 from a different source for information on a talk given by TSUJI on parallel subject matter. DA 56037

1. TSUJI speculates, from information obtained in Hong Kong and Communist China, that the Government of CHIANG Kai-shek will disintegrate in a year or two because of CHIANG's recent imprisonment of General SUN², the famous organizer, leader and spiritual pillar of the Taiwan forces. The officers and men of the Chinese Nationalist forces are secretly discussing a coup d'etat to remove CHIANG from office. These officers and men are covertly and ardently obeying the commands of General SUN, but they will not fight for CHIANG. TSUJI stated that the military leadership of General SUN cannot be equaled by other Chinese Nationalist officers. CHIANG, who has been extremely jealous of SUN's popularity, presented forged charges against SUN and imprisoned him. CHIANG trusts no individual who has any support from segments of his military forces, except his son.
2. The six hundred million people of Communist China are under the strictest food ration, under the control of Peiping. Livestock are also fed under government control. TSUJI attempted to determine the cause of these drastic measures, but was given evasive answers. However, upon visiting the USSR, TSUJI found that a continuous flow of food is being shipped to the USSR from Communist China to alleviate starvation in the Soviet territories.
3. During his flight to Irkutsk, USSR, TSUJI observed that the railroad from Chokoko (Japanese reading)(sic) to Irkutsk was completed and even an express train was operating. The railroad line was guarded by troop installations at intervals of 14 to 15 kilometers. A large number of bulldozers and ground-breaking equipment was in operation at a considerable depth on both flanks of the railroad. TSUJI speculates that pitchblende is being mined extensively and shipped to the USSR.

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4. Judging from piece-meal information, Baku is estimated to be furnishing 50 percent of the petroleum requirements today.² The area is clustered with oil towers; however, only 50 percent seem to be operating. The Soviets are going full force in developing underwater petroleum fields, current developed to the level of supplying 28 percent of the total output of Baku. In the near future, this level will be raised to approximately 50 percent. About 50 percent of the petroleum is refined in Baku and the remainder is shipped to other refineries in the USSR for processing. TSUJI estimates that the refining facilities and technical know-how of the USSR is about ten years behind Japan; thus the gap is still wider when compared with the advanced technology of the United States.
5. Since the defeat of Germany, the USSR has built a new factory city in the Georgian S.S.R. known as "Stalin Factory." Its population is 500,000 and it is the largest industrial center of this region. Over 70 percent of the machine facilities bear the mark of German manufacture in 1941-1943. TSUJI judges that the Soviets' building such an industrial center so close to the borders of Turkey means plans for aggression into the Middle East. The nations of the Middle East have petroleum fields required by the USSR for successful military ventures. The Soviets are softening the Middle East for aggression by fomenting racialism and making tempting offers of arms to the Arab nations at a drastically reduced price.
6. Internal conditions in the USSR are far from normal, especially among the farmers, who are underfed and underclothed and who live in shacks such as are seldom seen in Japan. A very small number of livestock was seen during trips to the countryside. TSUJI stated that this clearly indicates the complete failure of collective farming. Judging from conversations with the common people, TSUJI estimates that 97 percent of the Soviets desire peace, the remaining three percent belong to the USSR Communist Party. The USSR is in no position to wage all-out war until their domestic issues are settled to the satisfaction of the masses. Under Stalin the people were coerced into following the dictates laid down by the Kremlin; however, the present committee system of governing does not have as much force as the dictatorial might of Stalin. For this reason, struggles for power within the Kremlin are sure to develop, with Defense Minister Zhukov and Nikita S. Khrushchov, First Secretary of the USSR Communist Party, as the central figures. Until this leadership is settled, the USSR cannot afford risking an all-out war. In the meantime, the USSR's only alternative is to create indirect pressure on the weak point of the Free World, promoting disharmony and general weakness through the deception and treachery of international communists.
7. The information TSUJI gathered in the USSR indicates that the USSR will be ready to wage all-out war in five to six years, with the "peace offensive" being used only as a means to an ultimate end. The "peace offensive" is disliked by the Kremlin; however, it is the only alternative to gain time to stabilize the domestic situation. Although he tried to do so, TSUJI heard no reports on a resistance movement. TSUJI believes that either the movement is very weak or the MVD has been thoroughly effective in uprooting such groups.
8. After his return to Japan, TSUJI visited leading officers of the National Defense Agency and strongly recommended that total rearmament of Japanese defense forces be completed prior to the five to six years lead time of the Soviets. Post-war Soviet arms development has shown great strides, with the mass production of highly efficient and effective modern weapons. As the Japanese defense forces have been basically armed with outdated and second-hand equipment from the United States, it is now time for the indigenous development of modern ordnance by Japanese engineers and industry. Instead of concentrating on increasing the size of the defense forces as suggested by the United States, Japan should improve the esprit de corps and equipment of the defense forces. The Japanese Government should seriously consider cutting down its personnel strength by 20,000 men and allocate the savings therefrom to the research and development of new ordnance items as well as providing State support for the ordnance industry, which is the backbone of military strength. Defense forces without an indigenous ordnance industrial base are meaningless. A well equipped and highly trained small force with modern weapons is far more capable than a large force without a highly efficient ordnance industrial base. It is time for Japan to improve the defense forces' weapons and equipment instead of increasing its personnel with people who join only to provide themselves with a means of gaining a livelihood.
9. The trip through the two countries took 40 days, most of the time being spent in the USSR. The tours were strictly controlled and guided; however, TSUJI managed to be out on his own occasionally. TSUJI, having a good knowledge of both Russian and Chinese, talked with over 400 common people in attempting to find the true

feelings of the people. His real intention in making the tour was to ascertain the truth of the "peace offensive" program of the USSR. TSUJI's military background assisted him immeasurably in talking to military leaders in the USSR and Communist China, and also made him an outstanding target for constant surveillance.

Field Comments

1. This is presumably CHIANG's former personal Chief of Staff, General SUN Li-jen. According to press reports, General SUN, who has been under house arrest since May 1955, resigned from his position on 20 August 1955 and admitted negligence in a spy ring case. According to information dated July 1955 from another U.S. Agency, about 300 of SUN's supporters were arrested on suspicion of planning a revolt. Recent press releases report that SUN was investigated by a special commission and found innocent of conspiratorial intent, although guilty of negligence.
2. Presumably for the USSR only.