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OFFICE OF STRATEGIC SERVICES  
X-2 Branch  
REPORT

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Office of Origin: <b>KYK</b>	Local File No.		
Report Made At: <b>YCX</b>	Date: <b>7 Dec. 1944</b>	Period Covered:	Made By: <b>BH/011 PH/042</b>
Subject: <b>PEACE PROPOSALS (Exact copy as received from KKH Intelligence)</b>		Status: <b>Pending</b>	

**Reference:**

Explanatory Preamble

**Synopsis:**

About the end of July our Shanghai agent wired stating that there was a sincere desire among a faction of the Japanese to come to an understanding with the Chinese Central Government which would lead to a cessation of hostilities in China. Blank sent a bogus reply stating that, as pre-requisite evidence of Japanese sincerity, the Chinese Government required the Japanese party interested to promise that the following three terms would be implemented: -

- A. The Emperor of Japan to assume full control of all armed and political forces in JAPAN.
- B. The Sino-Japanese situation to revert to status quo prior to the Mukden Incident.
- C. The War Criminals to be punished.

The Shanghai agent was instructed to put the foregoing to the party who had approached him and in the event of a favourable reaction to signal us about the 20th November.

In due course his wire was received stating that TOKYO reaction was favourable and yesterday the following wire was received.

Chungking,  
5 Dec 1944.

INWARD TELEGRAM FROM SHUHAN, OHENIANG  
Dated 29th November 1944

JAPANESE PEACE OFFENSIVE

1. The preliminary terms on which the Chinese Government is prepared to consider peace with JAPAN, as outlined in your telegram dated 9th August, have been communicated by HQ, acting on behalf of NSU JU, to Admiral HAZUDA. The latter is the senior Japanese naval adviser to the Puppet Banking regime. (NOTE BY BLANK: NSU JU, whose full name is

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CLASSIFICATION CANCELLED OR CHANGED TO

*Secret*  
by AUTHORITY OF *JCS/ [Signature]* 1 May 50  
Classification

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HSU JU HWEI, is better known as HSU TSUNG CHI. He is a senior military official and formerly a prominent member of the Kwangtung of the Kwangtung clique.)

2. In TOKYO, peace overtures are favored by the following: -

- (a) Prince HIGASHI KUNITOMYA, Prince KANIN, Prince CHICHISU and Prince MIKASA, all members of the Royal family.
- (b) KIDO KOICHI, IGHIJO SAITAKA and KONOYE, of the peerage.
- (c) OKADA and YONAI MITSUMASA, of the Navy.
- (d) MASAKI JINSABURO and SHIMAZU KAIJI, of the Army.

3. It is known that the above people have obtained the acquiescence of the Emperor in these overtures which are also supported by the big financial community. It is also hoped to initiate peace parleys with the Allies simultaneously with a coup d'etat carried out by MASAKI and SHIMAZU on the pretext of enforcing military discipline.

4. As early as May, TSUCHI was sent to SHANGHAI by OKADA and KONOYE to approach HSU JU through HO with a view to sounding out opinion in CHUNGKING regarding the successors of General TOJO. The only two Army men in CHINA who were in any way connected with this mission were Lieut-General MAEDA and Colonel TSUJI.

5. On 12th October, as a result of a report from MAEDA, KONOYE sent his younger brother Baron HASEGAWA to SHANGHAI by plane on a secret mission. He saw HO and informed him that the Allied terms, as follows, could be carried out: -

- (a) The Emperor should take over the administration.
- (b) War Criminals to be punished.
- (c) The offensive to be halted.
- (d) MANCHURIA to be handed back to CHINA.

At the same time he wished that the authorities in CHUNGKING should address a note to the Emperor which would enable a formal petition and request to be presented to the Emperor. A high Japanese official would then be sent to CHUNGKING to negotiate peace, the Cabinet would be re-organized, hostilities would cease and Japanese troops would be withdrawn.

6. On 21st October, HASEGAWA returned to TOKYO by aircraft and shortly before his departure he left a letter written by himself personally for HO (so as to show that he would trust HO) in which he stated that he considered that the present was an opportune moment for the Allies to start a political campaign against JAPAN which might result in: -

- (a) The establishment in power of a Japanese peace faction. This faction would serve as an antidote to those people in JAPAN who aimed at fighting to the end on the mainland. This would weaken the Japanese war effort and promote internal changes and strife.

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- (b) The slowing down of the Japanese offensive in CHINA, which would enable the Chinese to gain time to re-organise for a counter-offensive.
  - (c) Negotiations of the same type as the U.S.S.R. - FINLAND peace negotiations, i.e., to conduct peace talks with the party suing for peace while at the same time the Allies were actively preparing for an offensive.
7. HO has been nominated by HSI JU as his representative and HO is prepared to help carry through the project even at the risk of his life.
8. Two most important points should be borne in mind, that the enemy should be convinced of the authenticity of the peace moves, while the Allies should fully bear in mind that they are only designed to deceive the enemy. (NOTE BY BLANK: It should also be fully understood that the so-called Allied "preliminary terms" were actually drafted by BLANK who considered that the only way to induce the enemy to conduct a peace offensive was to give them some sort of a lead. If the enemy carried out any of the terms and then was cheated, internal troubles and changes would undoubtedly result and, at the very least, agents in our employ would have excellent openings and opportunities of obtaining intelligence.)
9. Please discuss these plans with Allied staff officers and officials in CHUNGKING and send me further instructions by wireless as soon as possible.

HSU MING CHENG

(NOTE BY BLANK) Baron HASEGAWA TADAMARO inherited the title of HASEGAWA and is the younger brother of Prince KONOYE.)

(NOTE BY BLANK: HO and HSI MING CHENG are both our agents.)

THE END

SOURCE: RSH  
EVALUATION: A-2

UNDEVELOPED LEADS: YCX will endeavour to submit further information on subject.

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