TO BE KEPT UNDER LOCK AND KEY.

it is requested that special care may be taken to ensure the secrecy of this document.

SECRET

A.P.(40)302

6TH AUGUST, 1940.

WAR CABINET.

THE FAR EAST.

APPRECIATION BY THE CHIEFS OF STAFF.

Covering Note by the Secretary of the War Cabinet.

1. For some time past the Australian and New Zealand Governments have been pressing for a full military appreciation of the situation in the Far East.

2. The Chiefs of Staff had no difficulty in reaching general agreement upon the Paper prepared for them by the joint Staffs except on one point, namely, the line that we should take if Japan attacked the Netherlands East Indies and the Dutch resisted.

3. A Paper dealing with this point (W.P.(40)289) was submitted to the War Cabinet, who, at their Meeting on the 29th July, invited the Chiefs of Staff to prepare an appreciation of the situation in the Far East, on the assumption that Japan committed an act of aggression against the Netherlands East Indies, that the Dutch resisted, and that this country comes to their assistance (W.M.(40)214th Conclusions, Minute 7). This appreciation is being prepared.

4. In the meantime, the Commonwealth Government and the Government of New Zealand are becoming somewhat restive and are reluctant to despatch further troops until they have received the military appreciation of the situation in the Far East. The Chiefs of Staff have accordingly completed the appreciation which they had in draft before the recent submission to the War Cabinet. This appreciation is circulated herewith as W.P.(40)302.

5. The immediate point on which a decision is required is whether the War Cabinet agree that a digest of this appreciation may be communicated forthwith to the Dominion Governments. In this connection, particular attention is invited to the assumptions on which the appreciation has been prepared (See paragraphs 2 and 3 of the covering Memorandum). It will be seen that assumptions (d) and (e) make it clear that His Majesty's Government are not committed in advance to any particular policy.

(Signed) E. E. BRIDGES.

Secretary of the War Cabinet.

Ridmton Terrace, S.W.1.

5th August, 1940.
THE object of this paper is to examine how our position in the Far East has been affected by recent changes in the world situation and by our military pre-occupations in Europe and the Middle East, and to see what dispositions can and should be made and measures taken to meet the situation which now confronts us.

2. In order to reduce the problem to as simple terms as possible, it has been necessary to make certain assumptions, for example:

(a) the military situation in other theatres (i.e., at home and in the Middle East) will not change in our favour, to any marked degree, in the immediate future, i.e., we shall still have to retain a fleet in the Eastern Mediterranean for the present;

(b) the attitude of the U.S.A. remains as at present, i.e., affording us a measure of economic and material support;

(c) if the Japanese attack British territory, we shall fight them;

(d) the question whether we should or should not go to war with Japan in the event of a Japanese aggression against the Netherlands East Indies, which was resisted by the Dutch, must be a matter for decision by His Majesty’s Government in the light of circumstances at the time;

(e) for the purpose of this appreciation, however, it has been assumed that we should go to war in the above contingency, but it should be clearly understood that this assumption is an arbitrary one and does not preclude the decision which the War Cabinet would have to take when the time came.

3. If it is to be assumed in accordance with paragraph 2 (e) above, that we should go to war with Japan in support of the Dutch, it would be logical to recommend that we should immediately hold Staff Conversations with the Dutch
in the Far East in order to concert a combined defence plan. As will be seen from the appreciation we have this in mind, although at present we consider it would be inadvisable to initiate such conversations in view of the fact that we could not, with our present very limited resources, provide the Dutch with any effective military assistance.

4. The assumption set out in paragraph 2 (e) has a far-reaching effect upon the whole of our appreciation. We have, therefore, marked with a sideline those paragraphs to which this assumption applies in particular.

(Signed) C. L. N. NEWALL. DUDLEY POUND. J. G. DILL.

Richmond Terrace, S.W. 1, July 31, 1940.
THE SITUATION IN THE FAR EAST IN THE EVENT OF JAPANESE INTERVENTION AGAINST US.

REPORT.

In June 1937 our military policy in the Far East was exhaustively reviewed.† The assessment of our defence requirements which was then made was based on two assumptions, namely:

(a) that any threat to our interests would be seaborne; and

(b) that we should be able to send to the Far East within three months a fleet of sufficient strength to protect the Dominions and India and give cover to our communications in the Indian Ocean.

2. The Japanese advance into Southern China and Hainan, the development of communications and aerodromes in Thailand, the situation in Indo-China resulting from the French collapse, and the increased range of aircraft, have all contributed to enable Japan to develop an overland threat to Malaya, against which even the arrival of the Fleet would only partially guard.

At the same time, the collapse of France, the development of a direct threat to the United Kingdom and the necessity for retaining in European waters a fleet of sufficient strength to match both the German and Italian Fleets have made it temporarily impossible for us to despatch a fleet to the Far East should the occasion arise. In consequence, neither of the two underlying assumptions of the 1937 review is any longer tenable and we have therefore thought it necessary to review again our Far East defence problem as a whole. We have done this at length in the annex to this paper. Our conclusions and recommendations are summarised below.

SUMMARY AND CONCLUSIONS.

3. We sum up our conclusions below under four headings:

A. General Considerations.

B. The Defence Problem.

C. Strategy in the event of war in the Far East in the absence of a Fleet.

D. Defence Requirements in the Far East in the absence of a Fleet and the present possibilities of meeting them.

A.—GENERAL CONSIDERATIONS.

Japanese Aims.

(i) Japan's ultimate aims are the exclusion of Western influence from the Far East and the control of Far Eastern resources of raw materials.

Japan cannot be sure of securing these aims unless she captures Singapore, which will always be a potential threat to her southward expansion so long as a British fleet remains in being in any part of the world.

Japan's immediate aim—in accordance with her traditional step-by-step policy—is likely to be the exclusion of British influence from China and Hong Kong.

Likelihood of Japanese Action.

(ii) The present offers Japan an opportunity to extend her interests; but she is unlikely to risk an open breach with the British Empire and the United States until the situation in Europe is clearer (paragraphs 3–10).

General Policy in the Far East.

(iii) Committed as we are in Europe, and without the help of France, we must avoid an open clash with Japan. A general settlement, including economic concessions to Japan, should be concluded as soon as possible. Failing this settlement, our general policy must be to play for time, cede nothing until we must, and build up our defences as soon as we can. At the same time we should aim at securing the full military co-operation of the Dutch (paragraphs 11–12).

B.—THE DEFENCE PROBLEM.

(iv) Primarily the security of India, Malaya and Australasia depends on our ability to control the sea communications leading to them. The foundation of our strategy in the Far East must, therefore, remain the basing of an adequate fleet on Singapore. Until we have defeated Germany and Italy, however, or drastically reduced their naval strength, we are faced with the problem of defending our interests in the Far East without an adequate fleet (paragraph 15).

(v) In the absence of a Fleet, we cannot prevent damage to our interests in the Far East. Our object must, therefore, be to limit the extent of the damage and in the last resort to retain a footing from which we could eventually retrieve the position when stronger forces become available (paragraph 16).

Courses open to the Japanese.

(vi) Broadly, there are four possible courses of action open to the Japanese, should they decide to resort to force to improve their position in the Far East:

(a) A direct attack on British possessions.
(b) A penetration into Indo-China or Thailand.
(c) An attack on the Netherlands East Indies.
(d) Seizure of the Philippines.

(paragraphs 18–28).
(vii) While we must be prepared for a sudden attack on the Netherlands East Indies or Singapore we feel that the most probable Japanese first move would be into Indo-China or Thailand, possibly followed later by an attack on the Dutch East Indies, if conditions at the time are judged favourable for such a move, before tackling Singapore itself (paragraph 29).

(viii) A Japanese penetration of Thailand would threaten Singapore and unquestionably make the defence of Burma and Malaya far more difficult. Nevertheless, under present conditions, we do not consider that the threat to our vital interests would be sufficiently direct to justify us going to war with Japan with our present available resources (paragraph 32).

(ix) For similar reasons we should not under present conditions go to war with Japan in the event of a Japanese attack on Indo-China (paragraph 33).

(x) A Japanese attack on the Netherlands East Indies and the establishment of Japanese bases in the islands would directly threaten our vital interests. Our sea and air communications and our base at Singapore would be endangered. We could not under present conditions prevent the Japanese getting a foothold in the Netherlands East Indies. If the Dutch did not resist attack we should not go to war with Japan. Even if the Dutch do resist we could not prevent the Japanese establishing a foothold in the Netherlands East Indies, but our chances of preventing the Islands being overrun would be much improved. Provided the Dutch resist therefore we should offer them full military and economic support against Japan (paragraphs 34-35).

British Garrisons in North China.

(xi) Our garrisons in North China are, in fact, strategically useless and vis-à-vis Japan are tactically in a hopeless position. Although we should suffer some loss of prestige by withdrawing them, the advantages of having them available elsewhere in the Far East would strengthen our military position (paragraph 36).

Hong Kong.

(xii) Hong Kong is not a vital interest and the garrison could not long withstand a Japanese attack. Even if we had a strong fleet in the Far East, it is doubtful whether Hong Kong could be held now that the Japanese are firmly established on the mainland of China; and it could not be used as an advanced naval base.

In the event of war, Hong Kong must be regarded as an outpost and held as long as possible. We should resist the inevitably strong pressure to reinforce Hong Kong and we should certainly be unable to relieve it. Militarily our position in the Far East would be stronger without this unsatisfactory commitment (paragraph 37).

C.—STRATEGY IN THE EVENT OF WAR.

Defence of Sea Communications.

(xiii) Indian Ocean. Although the Malacca Straits might be denied to Japanese Naval forces, these forces might use many other passages through the Netherlands East Indies for operations against our Indian Ocean trade and our line of communications to the Middle East. Naval and Air forces operating from the Dutch Islands would act as a deterrent to Japanese Naval forces, but would not prevent their access to the Indian Ocean. Communications with Malaya are liable to be precarious but would not be completely severed (paragraphs 40-41).
(xiv) South China Sea and Western Pacific. We should be unable to maintain our sea communications to the northward of the Malaya Archipelago, but we could maintain local traffic within the Archipelago to a limited extent, given Dutch co-operation (paragraph 42).

(xv) The Seas East and South of Australia (including Trans-Pacific routes). We should hope, by means of diversive routeing, use of coastal routes, and local protection by air and naval forces, to maintain a high proportion of our trade in these areas. The Japanese might establish an advanced fuelling base to facilitate attack in these seas (paragraph 43).

Defence of Australia, New Zealand and South Pacific Islands.

(xvi) It would be an extremely hazardous operation for Japan to undertake a major expedition against Australia or New Zealand so long as Singapore remained available to us as a base for a fleet in being. The scale of attack is likely to be limited to cruiser raids and light seaborne air attacks against ports (paragraphs 44 and 45).

(xvii) Japan might attempt to seize an advanced base in the Pacific Islands. Suva in Fiji is the most probable objective (paragraph 46).

Defence of Malaya.

(xviii) It is no longer sufficient to concentrate upon the defence of Singapore Island, but it is now necessary to hold the whole of Malaya. This involves an increase in the existing army and air forces (paragraphs 47, 66 (a), 79 and 81).

Defence of Burma.

(xix) Japanese air bases in Thailand would threaten the Rangoon oil refinery and the air route to Singapore (paragraphs 48-51).

Defence of the Netherlands East Indies.

(xx) It is important to deny to the Japanese naval and air bases in the Netherlands East Indies and a passage into the Indian Ocean. For this we shall have to rely on shore-based air forces operating from Dutch bases in conjunction with light naval forces (paragraphs 52-56).

Anglo-Dutch Co-operation.

(xx) The whole problem of defence in the Far East would be much simplified if we could be sure of Dutch co-operation and if we could concert plans with the Dutch beforehand. The Dutch would probably be ready to prepare secret plans for the defence of their islands, but we cannot be sure they would agree to assist us against a Japanese attack on British territory. In view of our inability to offer the Dutch any effective military support with our present limited resources, it is not desirable to undertake Staff Conversations at present. It is, however, of the utmost importance that we should concert plans as soon as we are in a position to do so (paragraphs 57 and 58).

(xxii) In the absence of Dutch co-operation we should be faced with a gap in our defensive system, and our sea communications would be more seriously threatened. It should still be possible to supply Malaya intermittently, though our difficulties in the Far East would be greatly increased (paragraph 59).
DEFENCE REQUIREMENTS IN THE ABSENCE OF A FLEET AND THE PRESENT POSSIBILITIES OF MEETING THEM.

(xxiii) In the absence of a Fleet our policy should be to rely primarily on air power. The air forces required to implement that policy, however, cannot be provided for some time to come. Until they can be made available we shall require substantial additional land forces in Malaya, which cannot in present circumstances be found from British or Indian resources (paragraphs 62, 80 and 81).

(xxiv) The collaboration of the Dutch in the Netherlands East Indies is of great importance, but it would be unsound to rely on the collaboration of a foreign Power to secure the protection of a vitally important part of the Empire. In any event our own defence requirements would not be substantially affected (paragraph 64).

(xxv) With the forces that we have at present available we should concentrate on the defence of Malaya. We could not hope to defend British Borneo, and only very limited air forces would be available to assist in the protection of trade in the Indian Ocean (paragraph 72).

(xxvi) On the other hand, the British and Dutch together dispose of substantial forces, and a direct attack on Singapore would be a very considerable undertaking for the Japanese (paragraph 73).

(xxvii) In the absence of a Fleet the naval forces required to co-operate with land and air forces for the defence of Malaya and the Netherlands East Indies are more than we now have available in the Far East even if we get the full co-operation of the Dutch (paragraphs 84–85).

(xxviii) Until the situation in European waters is improved we may have to face a serious threat to our Far East trade as we shall be unable to make available adequate forces for its protection in the event of determined action against it by Japanese forces, particularly if they use heavy ships (paragraph 86).

(xxix) Our Naval building programmes have never allowed for a war in which we alone would be fighting Germany, Italy and Japan. Our best hope of being able to supply naval forces for the Far East in the near future lies in the possibility of early and successful action against Italian naval forces in the Mediterranean (paragraph 87).

RECOMMENDATIONS.

In the light of the above conclusions, we recommend:

(i) The Commonwealth Government should be asked to provide, and to equip as far as possible, the rough equivalent of one division for the defence of Malaya (paragraph 81).

(ii) Preparations should be set in train in Malaya to receive a second reinforcing division, in anticipation of it being found possible to make this available from some source at a later date (paragraph 81).

(iii) As soon as possible and at the latest by the end of 1940, two squadrons of fighters and two of G.R. land planes should be despatched to the Far East, and the squadrons now in Malaya should be re-equipped and brought up to establishment (paragraph 63).

(iv) Food reserves for both the expected garrison and the Civil population should be built up in Malaya to the utmost practical extent (paragraph 47 (d)).
(v) The views of our Commanders in the Far East should be obtained on the forces considered necessary to implement the policy laid down in paragraph 62.

(vi) Our Naval construction programme should be reviewed in the light of this appreciation and the existing programme should be expedited (paragraph 87).

(vii) Provision should be made for the increased air forces required in Malaya, British Borneo and the Indian Ocean, if possible by the end of 1941 (paragraph 66).

(viii) Our garrisons in North China and Hong Kong should be withdrawn if this can be made part of a general settlement in the Far East (paragraphs 36 and 37).

(ix) The Governments of India and Burma in consultation with the A.O.C., Far East, should review their defence requirements in the light of a possible Japanese threat from Thailand (paragraph 51).

(x) The aerodromes at Kuching, Miri, Mergui and Victoria Point should at once be prepared for demolition (paragraphs 50 and 72).

(xi) The Government of New Zealand should be invited to hold a Brigade ready for despatch to Fiji (paragraph 83).

(xii) As soon as we have been able to improve our position in Malaya, Staff conversations should be commenced with the Dutch in the Far East. Meanwhile, our Commanders should consider the problem of a combined Anglo-Dutch defence plan so that conversations may be undertaken immediately the opportunity arises. The Governments of Australia and New Zealand should be invited to send Service Representatives to take part in these conversations when the time comes.

(Signed) C. L. N. NEWALL.

DUDLEY POUND.

J. G. DILL.

Richmond Terrace, S.W. 1,
July 31, 1940.
ANNEX I.

STRATEGY IN THE FAR EAST.

We have divided this review of our strategy in the Far East into four parts:

A.—General Considerations.
B.—The Defence Problem.
C.—Strategy in the event of war in the Far East, in the absence of a Fleet.
D.—Defence requirements in the Far East in the absence of a Fleet, and the present possibilities of meeting them.

PART A.—GENERAL CONSIDERATIONS.

Japanese Aims.

2. Japan’s ultimate aims are the exclusion of Western influence from the Far East and the control of Far Eastern resources of raw materials. Japan cannot be sure of securing these aims unless she captures Singapore, which will always be a potential threat to her southward expansion so long as a British fleet remains in being in any part of the world.

Japan’s immediate aim—in accordance with her traditional step-by-step policy—is likely to be the exclusion of British influence from China and Hong Kong.

Likelihood of Japanese Action.

3. Among the factors which may influence Japan in deciding whether to extend her interests southwards are:

(a) Her military and economic commitment in China.
(b) The Russian threat.
(c) The military strength by which she might be opposed.
(d) The fear of military action by the United States.
(e) The economic consequences of war with the United States and the British Empire, on both of which she is largely dependent economically.
(f) The prospect of achieving her aims at little or no cost in the event of the war in Europe going against us.

In order to decide our general policy in the Far East, it is essential to assess the extent to which these factors are likely to influence Japanese policy in the immediate future.

4. We are advised that Japan is determined to bring the China war to an end, and that, with the closing of one after another of the arms routes into China, there is a distinct probability that the two countries will soon come to terms. The war in China cannot, therefore, be relied on for long to provide a serious deterrent to further Japanese activity, although its termination will bring no early economic relief to Japan.

5. Although Russia is at present pre-occupied in Europe, fear of Russian action will probably compel Japan to retain forces at home and in Manchuria. She must always be conscious of the probability that Russia would be quick to take advantage of the situation if Japan found herself in difficulties.

6. The defences of Singapore are formidable and their reduction would involve a combined operation of the first magnitude. Further, Japan must now reckon on the collaboration with the British of the substantial Dutch forces in the Netherlands East Indies against any southward thrust. On the other hand, the forces in Malaya are still far short of requirements, particularly in the air, and Japan must know that in present circumstances we should be unable to send an adequate fleet to the Far East.

7. Japan may gamble on the assumption that—provided she takes no direct action against American citizens or American possessions—the United States is unlikely to be goaded to the point of armed opposition. She may foresee, also, that in the event of Great Britain’s position in Europe deteriorating, it is probable that the United States would keep their fleet in the Atlantic.
Although Manila is not comparable as a base to Singapore and the sea communications to the Philippines are more vulnerable to Japanese attack than those to Singapore, nevertheless Manila is a defended base and lies in the line of any Japanese advance to the South. The Japanese can never be certain that the United States will not intervene and send their fleet to the Philippines.

8. One of the main influences must be the knowledge that further aggression may lead to a rupture of trade relations with the United States and Great Britain. The United States has already warned Japan of her interest in the maintenance of the status quo in the Netherlands East Indies.

On the long-term view, Japan's economic structure cannot stand the strain of a break with the British Empire and the Americas, upon whom she is dependent for markets and for essential raw materials. Only if she could rapidly gain complete control of the raw materials, especially oil, rubber and tin, of Malaya and the Dutch East Indies would she have a chance of withstanding British and American economic pressure.

9. With the example of Italy before her, Japan may prefer to postpone any main advance until she sees more clearly the outcome of affairs in Europe. If Germany succeeds, Japan could achieve her aims quickly and without risk. On the other hand, she might abandon her traditional step-by-step policy and make a direct attack upon Singapore.

We are advised that any steps Japan takes may be limited to local military action without resort to formal declaration of war, thus hoping to evade the far-reaching effects of war with the British Empire and possibly the United States. Such a policy would enable Japan to limit her action and "save face" if the local results or wider reactions were unfavourable.

10. To sum up, it appears to us that, until the issue of the war in Europe becomes clearer, it is probable that Japan will confine her action to the elimination of British influence from China and Hong Kong to the greatest possible extent without incurring a rupture with the United States and the British Empire.

General Policy in the Far East.

11. Our own commitments in Europe are so great that our policy must be directed towards the avoidance of an open clash with Japan. We have, in fact, to make a virtue of military necessity, and it is at least doubtful whether piecemeal concessions will ever have more than a temporarily alleviating effect, to be followed after an interval by further demands.

It is most desirable that a wide settlement in the Far East—including economic concessions to Japan—should be concluded as early as possible, rather than that we should wait to be faced with a series of Japanese faits accomplis. The possibilities of obtaining such a settlement at the present time are doubtful; but we are convinced that every effort should be made to bring it about.

12. Failing a general settlement on satisfactory terms with Japan, our general policy should be to play for time; to cede nothing until we must; and to build up our defences as soon as we can. In this connection we show in Part C that an aim of our policy should be ultimately to secure the full military co-operation of the Dutch.

13. We now proceed to examine the problem of Far Eastern defence in its broadest aspect.

PART B.—THE DEFENCE PROBLEM.

British Interests in the Far East.

14. Our interests in the Far East may be summarised as follows:—

(a) The Dominions of Australia and New Zealand.
(b) Malaya and the Netherlands East Indies both contain essential raw materials, the control of which at source is now extremely important to us. The establishment of a footing by the Japanese in either area would directly threaten the security of the naval base at Singapore.
(c) Burma is also of importance on account of its oil resources and in connection with the sea and air communications to Singapore.
(d) **The trade routes in**—

(i) The Indian Ocean (including the West Coast of Australia).
(ii) The South China Sea and Western Pacific (north of Australia).
(iii) The seas east and south of Australia, including the Trans-Pacific routes.

(e) **China trade.**—A great deal of British capital is invested in the China trade, but this trade represents only about 2 per cent. of total British trade, and its cessation would not seriously affect the ability of the Empire to carry on the war.

(f) **Hong Kong** is an important commercial harbour and a naval base, and a focus of British interests in China. Its value as an entrepôt of trade and shipping has been considerably curtailed by the Japanese action in China.

(g) **Shanghai** is important mainly in connection with the China trade. The retention of the British garrison is largely a question of prestige.

**Security primarily dependent on the Fleet.**

15. The territorial integrity of Australia and New Zealand and of our possessions in the Far East depends primarily on our ability to control the sea communications leading to them. We see no reason, therefore, to change the views we have always expressed—namely, that the foundation of our strategy in the Far East must be the basing on Singapore of a fleet which is strong enough to provide cover for our communications in the Indian Ocean and South-Western Pacific, and to frustrate any large expeditions which the Japanese may attempt against British territory. Meanwhile, that is to say until we have defeated Germany and Italy or have drastically reduced their naval strength, we are faced with the problem of attempting to defend our Far Eastern interests in the absence of an adequate fleet.

**Our Strategic Object in the Absence of a Fleet.**

16. In the absence of a Fleet, we cannot prevent damage to our interests in the Far East. **Our object must, therefore, be to limit the extent of the damage and in the last resort to retain a footing from which we could eventually retrieve the position when stronger forces become available.**

**The Threat to our Interests in the Far East in the Absence of a Fleet.**

**Forces which Japan now has available.**

17. We are advised that Japan could make the following forces available for new adventures:

- **Naval—**
  - 10 battleships, 3 to 7 aircraft carriers, with the necessary cruiser and destroyer forces.

- **Military—**
  - 6 to 10 divisions. Japan could make this force and the shipping required for its transport and maintenance available without having to carry out any serious withdrawal from her position in China.

- **Carrier-borne Aircraft—**
  - Up to 75 fighter aircraft, 206 bomber aircraft, carrier-borne.

To these must be added the operation of shore-based aircraft once Japan had established herself ashore. For this purpose Japan could dispose of:

<table>
<thead>
<tr>
<th>Shore-based Aircraft</th>
<th>Squadrons</th>
</tr>
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<tbody>
<tr>
<td>Fighters</td>
<td>8–10</td>
</tr>
<tr>
<td>Light Bombers</td>
<td>8–10</td>
</tr>
<tr>
<td>Heavy Bombers</td>
<td>8–10</td>
</tr>
<tr>
<td>Reconnaissance</td>
<td>4–6</td>
</tr>
</tbody>
</table>

These forces are clearly large enough to give Japan a very wide choice of objectives.
Courses open to the Japanese.

18. Broadly, there are four possible courses of action open to the Japanese, should they decide to resort to force to improve their position in the Far East:

(a) A direct attack on British possessions.
(b) A penetration into Indo-China or Thailand.
(c) An attack on the Netherlands East Indies.
(d) Seizure of the Philippines.

We consider these courses in turn.

Attack on British Possessions.

19. If Japan decided to make a direct attack upon British possessions, we consider that her main effort would be directed ultimately against Malaya, because, as we have already pointed out in paragraph 2 above, the capture of Singapore would be essential to Japan if she intended to secure permanently the control of the Far East.

It is, however, an historical fact that the Japanese method is one of a cautious step-by-step progress with limited objectives. Her first step is likely to be to overwhelm our garrisons in China and absorb our possessions there, and probably to attack or at least blockade Hong Kong, all without a declaration of war. The tempo and even the extent of her subsequent action would be conditioned by the ease and success of these initial operations, and their wider reactions; it is even possible, if the reactions were unfavourable, that the Japanese would refrain from further adventures. We have, however, to consider the worst case, and to assume that Japan will not be deterred from her aim of dominating the whole of the Far East.

20. Japan would have an ample margin of naval strength over and above that required for an attack on Malaya, and attacks on British trade would certainly figure largely in her plans. Our China trade, except for the little that might be carried in neutral bottoms, would cease on the outbreak of war, and our Indian Ocean, Australasian and Trans-Pacific trade would be exposed to the threat of Japanese action.

21. Apart from attacks on trade, we do not consider that any serious threat to Australia or New Zealand would arise until Japan had consolidated her position at Singapore. Even then we do not consider that the Japanese would attempt an actual invasion of Australia or New Zealand, at least until they had consolidated their position in China and the Far East, which would take a very considerable time. This is further explained in paragraph 44 below.

22. The effort involved in war with the British Empire would be great for Japan, even in the absence of a British fleet, and for this reason we feel that Japan would hesitate to adopt this course unless she saw Great Britain so heavily committed in Europe as to be unable to resist her aggression, or until she was completely freed from the entanglement of the China campaign. Nevertheless, we must be prepared to resist an assault against Singapore, and by increasing our defences aim at deterring Japan from adopting this course.

Penetration of Indo-China or Thailand.

23. The penetration of Indo-China or Thailand would give the Japanese bases from which to attack Malaya, and among other advantages would secure for them substantial rice supplies. An attack on Indo-China would not be a formidable undertaking for Japan, as her action would probably be confined to the limited objectives of seizing bases and aerodromes and controlling focal points in these countries. It might be effected without the United States of America breaking off economic relations. All the evidence goes to show that the Thai Government would not oppose a Japanese penetration by force, while the French forces in Indo-China could not prevent a Japanese occupation of the ports and railways. We ourselves could not effectively assist in the defence of either Indo-China or Thailand.

24. If Indo-China adopted a hostile attitude to us, it is conceivable that Japan might be granted the use of base facilities in that country.
Attack on Netherlands East Indies.

26. An attack on the Netherlands East Indies would be a more formidable undertaking for Japan than penetration of Indo-China or Thailand. Nevertheless, it would probably not involve excessive military effort, especially if it were undertaken by stages, and occupation would not only provide Japan with an advanced base for a subsequent attack on Singapore, but would secure for her oil and other urgently required raw materials.

27. The security of the Netherlands East Indies would be considerably improved if the Dutch could be persuaded to agree to re-organising their defences as part of a combined Anglo-Dutch scheme of defence.

The Seizure of the Philippines.

28. This would be in keeping with Japan's step by step methods, and would have the advantage of removing the threat to Japanese sea communications to the south which must always exist as long as Manila remains as a United States fleet base. It would also afford Japan suitable advanced bases for naval forces and a useful air route from Formosa to Borneo.

Nevertheless, we do not consider it likely, since it would inevitably involve Japan in war with the United States, and economically the possession of the Philippines would not be of great importance to Japan.

Japan's Probable Course of Action.

29. Unless Japan is driven to extreme measures by her militarists or tempted by our apparent weakness, we think that she will try to avoid war with the British Empire and the United States of America, and endeavour to achieve her aims by stages, which she might hope would not involve her openly in war with either.

Of these, the Netherlands East Indies afford greater economic and strategic advantages to the Japanese than Indo-China or Thailand, but in Japanese eyes these advantages may well be offset by the prospect of antagonising the United States, even if the consequences of such antagonism were confined to the economic sphere. Moreover, in the event of United States hostility, Japan's lines of communication to the Netherlands East Indies would be threatened from the Philippines. Since the Dutch are now our Allies, Japan must at least recognise the probability that an attack on the Netherlands East Indies would involve her in war with us.

Therefore, while we must be prepared for a sudden attack on the Netherlands East Indies or Singapore we feel that the most probable Japanese first move would be into Indo-China or Thailand, possibly followed later by an attack on the Netherlands East Indies if conditions at the time are judged favourable for such a move, before tackling Singapore itself.

30. We must now consider at what point our vital interests might become so endangered that it would be necessary for us to declare war on Japan.

Stage at which British Interests would be vitally affected by Japanese Aggression.

31. We have already pointed out that the security of Australia and New Zealand and our possessions in the Far East depends primarily on our ability to control the sea communications leading to them.

A Japanese penetration of Thailand would not seriously endanger those sea communications and so could not be considered an immediate threat to our vital interests. On the other hand, it would enable the Japanese—

(a) to establish shore-based aircraft within range of Singapore, Penang, the Malacca Straits and the Rangoon oil refineries;
(b) to organise a base for a land advance against Malaya from the north;
(c) to interfere with the air reinforcement route between India and Malaya;
(d) possibly to establish an advanced base for submarines and light craft at the northern entrance to the Malacca Straits.
32. A Japanese penetration of Thailand would thus threaten Singapore and unquestionably make the defence of Burma and Malaya far more difficult. Never­theless, under present conditions, we do not consider that the threat to our vital interests would be sufficiently direct to justify us going to war with Japan with our present available resources.

33. Penetration of Indo-China; for similar reasons we should not, under present conditions, go to war with Japan in the event of a Japanese attack on Indo-China.

34. A Japanese attack on the Netherlands East Indies is in a different category. If Japan established herself in the Islands our whole system of defence would be most gravely compromised, our vital sea communications and our base at Singapore would be endangered, and the air route from Singapore to Australia would be threatened. For these reasons the security of the Netherlands East Indies must be regarded as an essential British interest, second in importance only to the integrity of Singapore and Australasia; and their defence as an important part of our own Far Eastern defence plans.

35. The results of the establishment of a Japanese foothold of any sort in these islands would be so serious that under normal conditions we should have no hesitation in recommending war with Japan to prevent it. In present conditions we clearly could not prevent it by force, even with the full collaboration of the Dutch. A combination of British and Dutch opposition, however, would constitute a considerable problem for Japan. We should, therefore, do all we can to induce the Dutch to resist any territorial demands and should offer them all the support we can, including both military and economic action against Japan. We should do this without a formal declaration of war, since the presentation of a bold Anglo-Dutch front to Japanese demands might cause them to abandon their demands, without undue loss of “face.”

British Position in China.

North China.

36. The fact that our position in North China would be untenable in the event of war with Japan has already been recognised by the orders issued to troops at Peking, Tientsin and Shanghai to offer no forcible opposition to Japanese aggression. Our garrisons in North China are, in fact, strategically useless and vis-à-vis Japan are tactically in a hopeless position. This situation is probably well appreciated by both the Japanese and Chinese. Although we should suffer some loss of prestige by withdrawing them, the advantages of having them available elsewhere in the Far East would strengthen our military position. From the purely military point of view, therefore, we recommend that they should be withdrawn, although we recognise that there are other considerations which may make their retention desirable, except as part of a general settlement.

Hong Kong.

37. Our position at Hong Kong is different, as this is a British Colony. Nevertheless, Hong Kong is not a vital interest and the garrison could not long withstand Japanese attack. Even if we had a strong fleet in the Far East, it is doubtful whether Hong Kong with its present defences could be held now that the Japanese are firmly established on the mainland of China; and it could certainly not be used as an advanced naval base.

Should it be found possible to negotiate a general settlement in the Far East it would be in our best military interests to arrange to demilitarise Hong Kong, obtaining the best quid pro quo for this concession. Except as part of such general settlement, demilitarisation of Hong Kong is impracticable owing to the loss of prestige which it would entail.

In the event of war, Hong Kong must be regarded as an outpost and held as long as possible. We should resist the inevitably strong pressure to reinforce Hong Kong and we should certainly be unable to relieve it. Militarily our position in the Far East would be stronger without this unsatisfactory commitment.
PART C.—STRATEGY IN THE EVENT OF WAR IN THE FAR EAST IN THE ABSENCE OF A FLEET.

38. The Far Eastern interests which we must do our utmost to defend in the event of war with Japan can thus be reduced to the following:—

(a) Essential sea communications.
(b) Australia and New Zealand.
(c) Malaya.
(d) Burma.
(e) The Netherlands East Indies.

We consider these in turn.

Sea Communications.

39. The sea communications most likely to be threatened by Japanese action can be considered under three headings:—

(a) The Indian Ocean (including the west coast of Australia).
(b) The South China Sea and Western Pacific (north of Australia), and
(c) The seas east and south of Australia, including the Trans-Pacific routes.

The Indian Ocean.

40. The Indian Ocean would be the most fruitful field for Japanese action against our seaborne trade, since the main routes from the United Kingdom to the Middle East, India and the East Indies and Australia pass through it. Although the Malacca Straits might be denied to Japanese Naval Forces, these forces might use many other passages through the Netherlands East Indies for operations against our Indian Ocean trade and our line of communication to Middle East through the Red Sea. Although the distances from Japan are great, there are a number of potential fuelling bases in the Indian Ocean.

A force of enemy cruisers, particularly if supported by one or more heavy ships, would constitute a most serious threat to our trade, since we could not spare adequate naval forces either for operations in focal areas or, as would more probably be necessary, for the escort of convoys.

Our communications with Malaya would be precarious, though not necessarily completely severed.

41. Our ability to use the Dutch Islands and to establish air forces there, while not prohibiting Japanese access to the Indian Ocean would act as a deterrent, it would, moreover, assist the maintenance of our communications with Australia and New Zealand. Dutch co-operation would, of course, be essential.

The South China Sea and Western Pacific.

42. We should be unable to maintain our sea communications to the northward of the Malay Archipelago, but we could maintain local traffic within the Archipelago to a limited extent, given Dutch co-operation.

The seas east and south of Australia, including the Trans-Pacific Routes.

43. The trans-Pacific trade routes are important in connection with supplies from America to Australasia and the Far East, as well as providing an alternative channel of communication with the United Kingdom which would be increased in importance if our difficulties on the Cape route became acute. The Australian and New Zealand trade routes are essential to the economic life of these Dominions.

The distances from Japan are considerable, but there would be nothing to prevent the Japanese (provided they were not deterred by fear of American action) establishing advanced fuelling bases in the South Sea Islands in order to facilitate operations in the south-west Pacific. The wide scope for evasive routing would provide a high degree of security for the trans-Pacific trade except in the neighbourhood of the Western terminals. Evasive routing, which should be practicable to some extent, and the use of inshore routes, would also
provide some degree of protection for the Australian and New Zealand trade. Here, again, the danger of attack would probably be greatest in the approaches to ports, for which local air and naval protection would be required.

Defence of Australia, New Zealand and South Pacific Islands.

44. We have already stated that, in our opinion, no serious threat to the territorial integrity of Australia or New Zealand would be likely to arise at least until Japan had consolidated her position in China and the Far East, which would take a considerable time.

It would be an extremely hazardous operation of war for Japan to undertake a major expedition to Australia or New Zealand so long as Singapore remained available to us as a base for a fleet in being on the flank of their long lines of communication. Moreover, it must be borne in mind that the protection of the lines of communication of an expedition of any considerable size over the distance involved would impose a very heavy drain on the Japanese naval forces, as every important convoy would have to be protected against the maximum scale of attack which we could bring to bear against it at our own selected moment. This would probably mean escort by heavy ships.

45. The scale of attack on Australia or New Zealand is likely to be limited to cruiser raids, possibly combined with a light scale of sea-borne air attack against ports. We have already mentioned the possibility of the Japanese establishing advanced fuelling bases in the South-West Pacific Islands in order to facilitate such operations. There are innumerable potential bases in these islands which could not all be defended against Japanese attack.

Fiji.

46. From the Japanese point of view it would clearly be preferable to seize a harbour with existing base facilities, particularly Suva in Fiji. Suva would also be a useful advanced base for our own forces in this area. We accordingly consider that forces should be held available for the reinforcement of Fiji.

Defence of Malaya.

47. The more important factors affecting the defence of Malaya in the absence of a fleet are as follows:

(a) The necessity of preventing the establishment of shore-based aircraft within close range of the base at Singapore.

(b) Even if the Japanese had not previously established themselves in Thailand, it is more likely that they would attempt a landing up-country in Malaya and then operate southwards, under cover of shore-based aircraft, than that they would risk a direct assault on Singapore Island.

(c) The rice-growing country, on which the native population partly depends and most of the Government storage centres are in the north.

(d) The necessity for establishing food reserves for the garrison and for the civil population of Malaya for as long a period as possible. We have already pointed out that our sea communications with Malaya might be precarious, but we consider that it would be extremely difficult for the Japanese to blockade the Malayan peninsula completely, and we would expect to be able to get supplies intermittently to our forces in that country, though not necessarily through the port of Singapore.

These factors all point to the necessity for holding the whole of Malaya rather than concentrating on the defence of Singapore Island. This clearly involves larger land and air forces than when the problem was merely one of defending Singapore Island.

Defence of Burma.

48. The possibility of a Japanese occupation of Thailand raises the question of the defence of Burma, since key points such as the Rangoon oil refineries and aerodromes on the Burmese section of the Singapore air route would be
immediately threatened by air attack from bases in Thailand. The invasion of Burmese territory is a more distant threat, except in the extreme South where it would be possible for Japan to capture aerodromes such as Victoria Point and Mergui.

49. To deal with these threats it may be desirable that air forces should be permanently established at bases such as Lashio, Rangoon and Tavoy and that additional troops (above those already earmarked) and air defences should be provided. The defence of Malaya must, however, have precedence over Burma and the provision of such forces can only be a very long term project.

50. On a shorter view the problem is to limit the Japanese threat with the resources likely to be available. It is necessary in the first place to ensure that the air route between Singapore and Rangoon is kept open. The aerodromes in Burma as far south as Tavoy and in Malaya as far north as Alor Star must therefore be held. If the aerodromes at Lashio, Rangoon and Tavoy are developed, stocked, and defended, it may then be possible, if the situation permits, to move air forces from Malaya or India to assist Burma in dealing with a sudden threat from the north. It will be important to deny the Japanese the use of the aerodromes at Victoria Point and Mergui, and we recommend that they should be prepared for demolition now.

51. We suggest that both the long and short term problems of the defence of Burma to meet a Japanese threat from Thailand should be reviewed on these lines by the Governments of India and Burma in consultation with the Air Officer Commanding in the Far East.

Defence of the Netherlands East Indies.

52. The defence of the Netherlands East Indies against the Japanese would be important to us because it is desirable to deny the enemy the use of Naval and Air bases in the Islands.

53. Moreover, the Islands extend for some hundreds of miles through which there are several important channels leading to the Indian Ocean. Control over these channels could be exercised by air and light naval forces based on one or other of the following alternative lines:

(a) the Northern line of Islands from Singapore to New Guinea, or
(b) the Southern line from Sumatra through Java to Port Darwin.

With the forces at present available we ourselves can do little to dispute the passage of these channels. Even with the help of the Dutch the measure of control we should be able to exert would be very limited, but it is clear that the position will be improved with Dutch assistance. Which of the two lines of defence should be used is a matter which could only be decided by the local Commanders on the spot.

54. If the Japanese are to be denied bases, invasion must be prevented, and this entails an attack on an expedition during its approach, as the Dutch military forces are limited and mainly concentrated in Java. In our position of naval numerical inferiority the best form of defence would be shore-based air forces in conjunction with submarines, light naval forces and mines.

55. It would be most advantageous to establish a permanently occupied British air base in North Borneo, and, from a long-term point of view, we consider that this should be our aim in order to give our air forces greater mobility. The development and defence of such a base would take time, would inevitably be regarded with disfavour by the Japanese, unless it was accepted as part of a general settlement, and would require resources that we do not yet possess. We must, therefore, rely initially for the defence of this area on the operation of air forces from Dutch bases of which there are a number already established on both lines of defence referred to in paragraph 53.

56. There is the possibility that the Japanese might seize the Portuguese half of Timor as a first step. As there are no existing air or naval bases in this part of the island, we consider this is an unlikely step, particularly as the Japanese must know that Portugal is our oldest ally, and that such action might lead to war with us.
Anglo-Dutch Co-operation.

57. The whole problem of defence in the Far East would be greatly facilitated if we could be sure of Dutch co-operation and if we could concert plans with the Dutch beforehand. Our aim should be to achieve a scheme of defence which ensures full mutual support, the pooling of resources and the development of a system for the rapid movement of troops to threatened points.

58. In all probability the Dutch would be ready to prepare secret plans for the defence of the Netherlands East Indies, though we might have some difficulty in persuading them to agree to come to our assistance in the event of a Japanese attack on British territory alone. In present circumstances, however, with our limited resources in the Far East, it would not be possible to offer the Dutch any effective military support in the event of Japanese aggression. For this reason, therefore, we do not recommend that staff conversations should be held with the Dutch immediately. As soon as we have been able to improve our own position in Malaya, however, we consider it of the utmost importance that we should concert plans with the Dutch. Meanwhile, our Commanders in the Far East should be instructed to consider the problem of a combined Anglo-Dutch Defence plan so that conversations may be undertaken immediately the opportunity arises. The Governments of Australia and New Zealand should be invited to send service representatives to take part in these conversations when the time comes.

Defence of Malaya in the Absence of Dutch Co-Operation.

59. Should the Japanese attack the Netherlands East Indies we can reasonably expect Dutch co-operation in any defence schemes which it may be possible to concert. Should the Japanese attack Malaya, however, it is conceivable that this co-operation would not be forthcoming as Dutch interests would not be immediately affected. In this event we should be faced with a gap in our defensive system, and our sea communications in the Indian Ocean would be more seriously threatened. We have already said in paragraph 40 above that our communications with Malaya are liable to be precarious but would not be completely severed, and it should still be possible even without Dutch collaboration to get some supplies into Malaya intermittently. It would, however, be idle to pretend that if the Dutch did withhold their co-operation, our difficulties in the Far East would not be greatly increased.

Conclusions.

60. In the absence of a capital ship Fleet we shall not be able fully to secure our vital interests in the Far East and we are therefore faced with the problem of making the best dispositions possible to secure the most important of these interests without the cover that a capital ship Fleet would provide. Our examination of this problem has shown that if in addition to defending Malaya we could deny to the Japanese the establishment of bases in the Netherlands East Indies, and if the movement of their Naval forces through the line of these islands could be impeded, the security of our interests would be considerably improved. Our ultimate aim therefore must be to secure the full Military co-operation of the Dutch. In the absence of full Dutch co-operation we must concentrate on the defence of Malaya.

PART D.—DEFENCE REQUIREMENTS IN THE FAR EAST IN THE ABSENCE OF A FLEET AND THE PRESENT POSSIBILITIES OF MEETING THEM.

61. This section of the Paper:
(a) Indicates the Naval, land and air forces required, in the absence of a fleet, to defend British territories in the Far East and to provide such protection to our own sea communications as can be afforded.
(b) Suggests how far our requirements can be met with existing forces.
Defence Policy.

62. Our policy in the Far East until a fleet again becomes available should be to rely primarily on air power in conjunction with such naval forces as can be made available. Land forces will also be essential for the close defence of naval and air bases, for internal security, and for dealing with such enemy land forces as may succeed in gaining a footing in Malaya and British Borneo despite the action of the Air Force.

The Air Forces required to implement this policy are outlined in paragraph 66 below. It is clear that their provision must be in the nature of a long-term programme; and that, until they can be provided, we must make up for their absence as far as possible by the provision of additional land forces.

63. In considering these proposals two factors must be borne in mind:—

(a) As we have shown above, the prospect of any large-scale attack upon Australia or New Zealand need not be taken seriously into account unless Singapore were first to be neutralised.

(b) The collaboration of the Dutch Forces in the Netherlands East Indies is of the utmost importance. Although we can never entirely rely on Dutch forces to assist in the defence of Malaya itself, it is only with the active co-operation of the Dutch that we can hope to deny the enemy the use of bases in the Islands. At the same time, given Dutch co-operation, we should be able to exert some measure of control over the channels through the Archipelago, thus reducing the threat to our trade in the Indian Ocean, and improving our communications with Australia.

64. We have shown in Part C above that an ultimate aim of our policy should be to secure the full military co-operation of the Dutch. It would, however, be unsound to rely on the collaboration of a foreign Power to secure the protection of a vitally important part of the Empire; in assessing our requirements, therefore, we have not taken Dutch collaboration into account. In point of fact our requirements are not thereby substantially affected, since, even if the Dutch are co-operating with us, it is always possible that the enemy may carry out diversions against the Netherlands East Indies and thereby contain Dutch forces at a critical time.

Australia and New Zealand.

65. The requirements for the defence of Australia and New Zealand are a matter for the Dominion Governments to decide and we do not discuss them in this paper.

Air Forces.

Air requirements.

66. An exact estimate of the strength and disposition of the Air Forces required must depend upon an Appreciation on the spot by the Commanders in the Far East in collaboration with the Australian and New Zealand defence authorities. The following is a general indication, based on the necessity to meet a Japanese attack on the north of Malaya from Indo-China or Thailand, while at the same time leaving sufficient forces to deal with the possibility of a seaborne invasion on the coast of Malaya or an attack on Singapore Island itself. It also includes provision of air forces for trade protection in the focal areas of the Indian Ocean.

(a) For defence of Malaya—

Northern Malaya—
Bombers, 4 Squadrons, 64 aircraft.
Fighters, 2 Squadrons, 32 aircraft.

Singapore—
Torpedo Bombers, 2 Squadrons, 32 aircraft.
Fighters, 2 Squadrons, 32 aircraft.
East of Malaya—
G.R. Landplane, 2 Squadrons, 42 aircraft.
G.R. Flying Boat, 1 Squadron, 6 aircraft.
(b) For trade protection in the North-Eastern Half of the Indian Ocean.
Calcutta, Ceylon, Penang—
G.R. Landplane, 3 Squadrons, 42 aircraft.
Andamans—
G.R. Flying Boat, 2 Squadrons, 12 aircraft.
(c) For defence of British Borneo, which is necessary not only to deny to the
enemy bases from which he could attack Singapore, but also to
secure British territory and the oilfields at Miri.
Bombers, 2 Squadrons, 32 aircraft.
G.R. Landplane, 2 Squadrons, 42 aircraft.
Total for (a) (b) and (c) above—336 first line aircraft.

67. This is a very substantial addition to any programme hitherto contem­
plated. It must be remembered, however, that in framing our previous
programmes—
(i) The move of a Battle Fleet to the Far East has always been taken for
granted. This has meant that our air requirements, both in the
Indian Ocean and in Borneo, have not been so great,
(ii) We have not had to take into consideration the situation in which the
Japanese have virtually overrun South China, and both French Indo-
China and Thailand have become potential bases for Japanese air
forces.
(iii) We have never seriously considered the necessity for defending British
Borneo.
Moreover, experience has shown that it is unsound to rely, as in previous
programmes, upon reinforcement from India and Iraq.
If, however, we are to afford a reasonable degree of air protection to our vital
interests in the Far East and the Indian Ocean, the above is considered the
minimum that we should aim at in the absence of a Battle Fleet.

68. It will obviously be some considerable time before the above require­
ments can be met from United Kingdom and Australian and New Zealand
resources. The date must depend largely upon the progress of the war in Europe,
on the rate at which our production of aircraft and of personnel can be
sustained, and on the supply of aircraft from the U.S.A. Subject to these
considerations, we recommend that our aim should be to complete the above
programme by the end of 1941, and as soon as possible, and at any rate by the end
of 1940, to reinforce the Far East Command by at least 2 Fighter and 2 G.R.
Landplane squadrons, and to re-equip and bring up to establishment the existing
squadrons.

Existing air forces.
69. Meanwhile, the British and Australian air forces in Malaya consist of
the following:—
Bombers, 3 Squadrons, 36 aircraft.
Torpedo Bombers, 2 Squadrons, 24 aircraft, obsolete type.
G.R. Landplane, 2 Squadrons, 24 aircraft.
G.R. Flying Boat, 1 Squadron, 4 aircraft, obsolete type.
Total, 88 first line aircraft.

70. The Dutch air forces now in the Netherlands East Indies consist of:—
Bombers, 9 Squadrons, 81 aircraft.
Fighters, 2 Squadrons, 24 aircraft.
Bomber/Reconn., 1 Squadron, 12 aircraft.
Flying Boats, 27 aircraft.
Total: 144 First-Line Aircraft.
71. The Dutch expansion programme now being implemented will add another 42 fighters about January 1941, and in 1941 an additional 48 fighters, 94 bombers and 18 reconnaissance aircraft, bringing the Dutch totals up to 346 first-line aircraft.

While these substantial Dutch air forces would be a valuable addition to the defence of our common interests in the Far East against Japanese attack, it is obvious that they can in no way make up for the totally inadequate strength of our own air forces in Malaya.

72. It is clear, therefore, that until we can at least reduce our very serious deficiency in air strength in this part of the world, the best we can hope for is to present a deterrent to attack and concentrate on the defence of the foremost of our vital interests in the Far East, namely, Singapore. It must be recognised that under the conditions now prevailing and in the immediate future we cannot hope to secure the defence of British Borneo.

As a short-term policy, therefore, we must be prepared to demolish the aerodromes at both Kuching and Miri in order to deny their use to the enemy. Plans already exist for the destruction of the Miri oilfields.

When the defence requirements of Malaya have been satisfied, and when further resources become available we should undertake the defence and development of Kuching. Miri would in this phase still be kept in readiness for demolition. Ultimately our policy would be to establish defended bases for the operation of the air forces referred to in paragraph 66 (c) at Kuching and Jesselton.

It is clear that at present and in the immediate future only very limited air forces could be made available to assist in the protection of our trade in the Indian Ocean. On special occasions aircraft could be diverted from other tasks to cover a passage on a convoy.

73. Nevertheless, the situation is not so black as it may appear. The British and Dutch air forces between them now dispose of a total of more than 200 aircraft of a quality equal, and in some respects superior, to those of Japan.

Experience has shown that to venture a seaborne expedition within range of modern air forces involves grave risks, so that even with our present air forces a direct attack on Singapore would be a very formidable undertaking.

It is, however, clear that until we can attain a standard of air defence approximating more closely to our estimated requirements, we should do everything possible to increase our land forces in Malaya, and, as soon as our position in this respect is sufficiently improved, to secure the effective collaboration of the Dutch.

Requirements of the Dutch.

74. In paragraphs 52–55 the desirability of obtaining Dutch collaboration with a view to securing a measure of control over the channels through the Netherlands East Indies to the Indian Ocean has been emphasised. As soon as it becomes possible to undertake Staff Conversations with the Dutch they should be pressed to station some of their units in Borneo, to improve the aerodromes in the islands and to provide certain additional A.A. defence troops for their security. The development of air routes within the Netherlands East Indies and between Australia and Singapore for reinforcement purposes must be stressed as an essential factor for the general defence of the whole area.

Land Forces.

75. As regards the defence of Burma, we recommend (paragraph 51) that the Governments of India and Burma should review the situation. Extra troops and anti-aircraft equipment will almost certainly be required, for the protection of air bases in particular.

China.

76. We do not recommend that our garrisons in North China and at Hong Kong should be reinforced in any circumstances. In the event of a general settlement with Japan leading to the withdrawal of these garrisons, they would become available for employment elsewhere, e.g., Malaya or North Borneo.
British Borneo.

77. We stated in paragraph 66 (c) that eventually we should require bases for four shore-based squadrons in British Borneo. This must remain a long-term policy as it will be a considerable time before the aerodromes can be prepared. They will then require troops and anti-aircraft defences for their protection. Commanders in the Far East should be instructed to investigate the precise requirements.

Netherlands East Indies.

78. We have already shown in paragraph 55 that so far as the defence of the Netherlands East Indies is concerned, we must for some time to come rely on the operation of air forces from Dutch bases. The provision of troops for the local protection of these bases must be a matter for the Dutch. The Dutch have a total of two divisions in Java and fourteen garrison battalions at outlying stations. Tarakan, Balikpapan, Macassar and Ambon each have a garrison battalion. We understand that the troops are not of high quality, but they are reasonably well equipped, except that there is a serious lack of anti-aircraft guns. Such guns as are available are in Java. The Dutch should be pressed during staff conversations to increase their garrisons at certain of the more important air bases.

Malaya.

79. We have pointed out in paragraph 47 that it is no longer sufficient to concentrate upon the defence of Singapore Island, but that it is necessary to hold the whole of Malaya. It is also clearly essential to ensure that the aerodromes required for the operation of our own air forces are rendered safe from capture. We consider that the total minimum garrison in Malaya required to meet these commitments is the equivalent of six brigades with ancillary troops—provided the air forces mentioned in paragraph 66 are made available.

80. Apart from coast defence and A.A. troops, the garrison of Malaya consists at present of nine battalions and ancillary troops. Until the additional air forces referred to in paragraph 66 can be stationed in the Far East, our reconnaissance and striking forces available to deal with invasion or seaborne attack are seriously inadequate. The absence of these air forces will involve an increase in the existing land forces by an amount which the G.O.C. has estimated as equivalent to three divisions and attached troops. This figure could be progressively reduced as the air reinforcements are increased. Since the G.O.C.'s estimate was made the air forces in Malaya have already been increased by one squadron and it is hoped to provide four additional squadrons by the end of this year.

81. In present circumstances we are not in a position to find even one division from the United Kingdom or Middle East. Nor is India capable of doing so in view of her existing commitments. The only trained troops readily available who could be suitably equipped are those in Australia. We, therefore, recommend that the Commonwealth Government be asked to provide the rough equivalent of one division and to equip it as far as possible.

It may be found possible to make further forces available for the reinforcement of Malaya from some source at a later date. We therefore also recommend that preparations should be set in train in Malaya to receive a second reinforcing division in addition to the one which it is hoped that the Commonwealth Government will provide.

Anti-Aircraft.

82. The provision of anti-aircraft guns for Singapore is well below the approved scale. The anti-aircraft requirements for the protection of air bases in Malaya, British Borneo and the Netherlands East Indies will need careful examination. It is not possible to state at this stage exactly what the total requirements will be.

Fiji.

83. We recommend in paragraph 46 that reinforcements should be held available for despatch to Fiji. The present garrison consists of the
equivalent of one company and one battery for Coast Defence, found by the Fiji Defence Force (mixed European and Fijian). We recommend that the Government of New Zealand should be approached with a view to earmarking a brigade for this purpose.

Naval Forces.

84. Our forces on the China, Australia and New Zealand Stations consist at present of—

1 8-inch Cruiser.
2 Modern 6-inch Cruisers.
4 Old 6-inch Cruisers.
6 Armed Merchant Cruisers.
5 Old Destroyers.
3 A/S Escorts.
8 M.T.Bs.

These are entirely inadequate for a war in the Far East.

85. The Dutch forces in the Far East are:

2 Cruisers.
7 Destroyers.
16 Submarines.

86. It is clear that, until the naval situation in European waters is materially improved, we may have to face a serious threat to our Far Eastern trade, as we shall be unable to make available adequate forces for its protection in the event of determined action against it by Japanese forces, particularly if they use heavy ships.

87. In view of the foregoing considerations, it has become clear that we must press on with our future naval construction programmes to the maximum extent possible; this is a long-term project and no naval building programme has ever allowed for a war in which we alone would be fighting Germany, Italy and Japan. Our best hope of being able to supply naval forces for the Far East in the near future lies in the possibility of early and successful action against Italian naval forces in the Mediterranean.
SECRET

SKETCH MAP ILLUSTRATING STRATEGIC SITUATION IN THE EAST INDIES.

LEGEND

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<th>Symbol</th>
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<td>British and Dutch are shown in RED</td>
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<td>Principal Oil Ports</td>
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Main Channels through Malay Archipelago.
Pecked Circles are drawn at radius of 500 nautical miles from positions indicated.

[Map of East Indies with various symbols and labels indicating locations and strategic points.]