

1. During her war with China Japan has already lost 1,100,000 soldiers through deaths and invalidation by battle and disease. She is obliged to keep about 1,250,000 soldiers in China, exclusive of Manchuria. Chinese success in resisting the vastly superior equipment and resources of the Japanese army has been due to deliberate strategy of yielding ground whenever unavoidable but without ever allowing the army to break, and the employment of intensive guerilla warfare so that the enemy is bogged down in China.

2. Japan now realizes that it is not possible to crush the Chinese armies, and is withdrawing troops from China for her southward advance into Indo-China, the Dutch East Indies, and Malaya. She is more than anxious to conclude an "easy" peace with China, because in the event of final victory over the British Empire any favorable peace terms with China could be renounced. Germany is of course trying to mediate between China and Japan.

3. After three and a half years of destructive warfare Chinese people and army are feeling the exhaustion because (1) with the loss of their richest territory and sources of revenue, and being obliged to keep in the field a regular army of 2,500,000 men with 2,000,000 guerillas, their financial and economic situation is rapidly growing worse. Internal prices have risen seven or eight fold and uncontrolled inflation is directly upon China, unless substantial outside assistance is immediately forthcoming; (2) Chinese national resistance has been sustained under greatest adversities due to belief that the democracies will eventually win the war. The collapse of France, the surrender of the little countries by default, and the continued success of German arms tend to shake this belief. (3) In the air the Chinese army in the beginning relied on American machines, and in the second and third years of the war on Russian planes.

These were well handled and with the manifest advantages of interior lines, despite overwhelming superiority of the Japanese air force in numbers some resistance in the air had been maintained. Russia has stopped sending planes, and since September this year Japanese planes are much superior in quality as well as in absolute numbers, so that today no existing Chinese planes could take the air. The effect of constant bombing on the Chinese troops, and especially on the civilians in the principal cities, without the possibility of any defence, is telling on the general morale.

4. In the present military situation by concentrating on a few strategic centers in China the Japanese could withdraw a large portion of their army and transports, because the hardy and seasoned Chinese army could not counter-attack well fortified areas without air-support. With air-support on a moderate scale they could easily recapture Canton and Hankow, and oblige the Japanese to retain their forces in China. As experience has shown, operating on interior lines an air force of say 500 planes will certainly contain an enemy air force of four times their number. In addition, the presence of this striking force, which could be based on Chinese air fields near the coast would, by its threat to Japan proper, Formosa, and their newly acquired base in Hainan, act as a most effective deterrent to Japanese designs on Singapore and Dutch East Indies.

5. This Special Air Unit need not exceed 200 modern bombers and 300 pursuits but must be adequately manned and staffed, and above all serviced by requisite mechanics and ground organisation. While Chinese pilots and mechanics are available in part, it is clear that for the greatest efficiency personnel from the British and American Training Centers should be drawn upon, these foreign pilots forming a special Air Unit. Special consideration must be given to the status of this force, according to the political development of the situation in the Far East.

This air force should be created at once so as to be assembled in China ready to operate before the start of the Japanese Spring offensive on Singapore.

6. Planes could be assembled in Rangoon or India and flown to airbases in China, or transported by water from Rangoon to the Chinese frontier and assembled there. There are 136 airfields\* available in China, more than half of which are in excellent condition, and all serviceable for both bombers and pursuits. Several of these airfields are within 650 miles from Japan; and they are so located that they are not easily vulnerable to army attacks. Japanese garrisons are nowhere in proximity and land attacks would require in most cases the concentration of several divisions over extremely difficult terrain without communications, thus leaving adequate time for defence or for transfer of menaced airbases.

The Special Air Unit could operate in conjunction with the Chinese army which so supported could effectively take offensive actions against Canton, to relieve Hongkong; against Hankow to clear the Yangtze Valley; or again the Unit could operate independently in attacking Japan proper, Formosa and Hainan.

According to the political strategic necessities of the war in Asia and Europe it will be possible to take a decision as to the advisability of carrying the air war into Japan proper. One should not be dogmatic as to the reaction bombing will have on Japanese psychology but every day evidences accumulate of growing internal dissensions in Japan and the severe strain and privations the Japanese people are put to by the prospect of a war without end, when at the beginning of their Chinese adventure they were told that hostilities would only last a few months.

\* If desired a confidential map could be furnished showing the location of these airports.

7. The organization and equipment of this Special Air Unit would require fully some three months of intense effort on this side as well as in China. The decision to create the Unit should therefore be taken within the next two weeks if operations are to start in the critical Spring of 1941.

General Chiang Kai-shek is laying all the relevant considerations before the British and the U. S. A. Governments as frankly as the gravity of the situation and his responsibility make it incumbent upon him, and he most earnestly renews his request for prompt decision; in this he is of course animated by complete identity of purpose in the common struggle for independence and democracy.