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MEMORANDUM FOR THE PRIME MINISTER

The following excerpts from a Joint Intelligence Committee report from Washington are interesting:

(2) Vichy. 26 May. Fact.

French Ambassador at Tokyo reports that loss of 15,000 ton merchant vessel sunk last week by Allied action off Nagasaki has come as a great blow to the Japanese. The vessel carried 2,400 of Japan's finest technicians specially selected from various branches of industry, engineering and civil service who were being sent south for the development of territories recently conquered. 2,000 of them perished. He considers this loss to Japan to be irreparable at the present time.

(3) Vichy. 23 May. Fact.

French Ambassador Tokyo reports as follows. Japanese Ministry of Justice has announced discovery of serious espionage plot involving the Comintern and has made known the names of the principals accused who were apparently secretly arrested six weeks ago and are now being sent to trial. They are Von Kelitch, German, Serge, German Director of local DNB Bureau and correspondent of Frankfurter Zeitung, who is a friend of German Ambassador, Clausen, a German and his wife who is German Ambassador's mistress, Osaki and Miyaji. Saionji, grandson of former head of Genro and Inukaia, a Deputy and son of the former Prime Minister who was assassinated in 1937, are also implicated.